

16 OCTOBER 1987



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# ***JPRS Report***

## **Near East & South Asia**

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16 OCTOBER 1987

## NEAR EAST &amp; SOUTH ASIA

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ARMENIANS DEMONSTRATE AGAINST TURKISH ENVOY'S VISIT TO MARSEILLES

Visit to Chamber of Commerce

Paris GAMK in French 29 May 87 p 2

[Article by Michel Maisonneuve]

[Text] In 1973, Turkish Prime Minister Damad Ferid Pacha stated that the Turkish ambassador, retired in France, would return only if the monument erected by the Armenians of Marseilles to honor victims of the genocide were removed.

And yet, the Turkish ambassador is to be received by the Chamber of Commerce and Industry of Marseilles today. Associations of Armenians in the city quickly reacted upon hearing the news.

Their first move was a unanimous demand that the president of the Chamber of Commerce rescind the invitation. The latter, whom Armenian representatives call "intellectually honest," reportedly got caught in a trap, placed in a situation in which he could no longer back down.

No Recognition of Massacres

At a press conference yesterday at which emotions ran high, the associations, banding together, denounced "the operation of seduction engaged in by the Turkish Government to attract possible French investors."

"Is this revenge?" asked the representative of one of the associations, referring to the statements made by the prime minister in 1973.

"It would take us days to show you the record on the Armenian genocide," he said, recalling in a few figures the massacres of which his people were the victims. However, the expose went further: "For years, Turkey has applied the economic strategy of debt. Long unsolvent, it lives on an unending foreign debt. We are deeply attached to Provence and France and we say that France and its businesses have no interest in exporting to Turkey."

For Armenians, in fact, genocide is not merely a date engraved in history. They attribute enormous importance to the fact that no Turkish Government has ever recognized or officially expressed regret over that bloody period early

in the century. Drawing a comparison with the leaders of the Federal Republic of Germany who gathered before the monuments dedicated to the millions of Jews exterminated during World War II and who thus broke with the leaders of the Third Reich, the Armenians believe that the current Turkish Government thus expresses solidarity with that past.

They also recall the torture and political imprisonment of which the Turkish people themselves are the victims.

"Since the Turkish ambassador is to come tomorrow, let him stand before the memorial to the Armenian genocide and we shall then see whether there has been any break with those who ordered those massacres," Marseilles Armenians said somewhat sarcastically yesterday.

But the ambassador will obviously do nothing. Rather, his coming may mean that Turkey wants to create a more dynamic image at a time when it is petitioning to become a member of the European Economic Community.

It is a step that worries many Armenians, whether they be from Marseilles or any other city in France.

In addition to arguments of a moral order, they also advance economic arguments and in the days ahead, they intend to propose a boycott of Turkish products.

#### Demand To Cancel Visit

Paris GAMK in French 29 May 87 p 2

[Article by F. C.]

[Text] The Chamber of Commerce and Industry of Marseilles will receive the visit by the Turkish ambassador to France today. That visit fits quite naturally into Ankara's desire to foster economic trade with the EEC, especially since Turkey has petitioned to become the "13th member nation."

Given that desire, the 44 Armenian political, cultural and religious associations in the department have expressed their fears and formal opposition to the visit at a press conference.

"The Turkish ambassador's visit to Marseilles is unacceptable. We perceive it as a test of strength. We have asked Chamber of Commerce President Mercier to cancel it. He was unable to do so because he has apparently been caught in a trap."

The organizers of the press conference then went on to explain the reasons behind their hostility: "Aside from the Armenian problem, we have full knowledge of Turkey. It is therefore our duty to warn France, our homeland, of the dangers which that country represents."

The picture of Turkey presented by the Armenian community is indeed anything but flattering. For Georges Khayguian, given "Turkey's economic situation, France has no interest in going there to invest. The country's inflation is 40 percent and the government in Ankara might well request a moratorium in order not to have to pay back its debt. We must not help Turkey's shaky economy because it is not a grateful country." Also according to Khayguian, a Turkish fundamentalist party leader reportedly stated that when Turkey has 100 million inhabitants by the end of the century, it could dominate Europe because Europe will be cowardly enough to pay.

But those at the press conference did not confine themselves to the economic aspect. For them, Turkey's entry into the EEC means the death of our Western civilization: "The Turks are a people of conquerors. They went from Central Asia to Algiers and Vienna. What they could not do by the force of arms, they want to achieve by peace. In half a century, the Turkish population will be more numerous than the population of the 12 nations of the EEC put together."

According to certain participants in the press conference, Turkey is now implementing a vast policy of seduction in the West: "European deputies are literally assailed with Turkish brochures exalting that country and denying the Armenian genocide, which is presented as the opposite: a Turkish genocide carried out by the Armenians." A sample of such "historical" brochures was shown at the press conference.

However, the Armenians present do not intend to stand idly by. Operations to boycott and provide information on Turkish products and their failure to meet EEC standards are planned.

The meeting ended with these words: "The Turks have an Attila Street in their country. The operation to invade Cyprus was nicknamed Attila. Just imagine a Hitler Street in our country!"

11,464

CSO: 4619/0028

TURKISH REACTION TO EUROPEAN PARLIAMENT RESOLUTION

Paris GAMK in French 25 Jun 87 p 1

[Text] The government in Ankara did not take long to react to the historic vote of 18 June by the European Assembly in Strasbourg. In a statement whose scope and content are unclear, the attacks formulated against Armenian organizations are the very reflection of actions which the Turkish Government has taken or will take against the Armenian cause and its defenders.

It is flattering to think that the "obscure maneuvers" of the Armenians might have forced the European Parliament to vote for the Armenians when one realizes that Turkey has set up a whole system of pressure, threats and all manner of maneuver typical of a boundless state and determination.

Likewise, one notes with interest that the accusation of "bias and hatred" which the Turkish Government levels at the European Parliament is very closely related to the scarcely disguised announcement ("a hardening of the judgment of Turkish generations") of the development and solidification of a climate of racial hatred of the younger Turkish generations against the Armenians.

Finally, one must pose the question of whether, by demanding that the European Parliament provide a solution to "unfortunate future attacks," the Turkish Government is not planning provocative actions aimed at discrediting the Armenian cause.

Statement by the Turkish Government

The resolution which the European Parliament has just passed on the so-called Armenian question is a biased document with racist content. The decision rouses our indignation all the more because the Political Commission has formally declared itself to be incompetent on the matter and deemed Vandemeulebroucke's report inadmissible. However, compelled by obscure maneuvers, the Political Commission went back on that decision.

The European Parliament has consequently set itself up as a historical court by choosing the option of bias and hatred.

Moreover, several political groupings have taken a stand against the move, based on the principle that the European Parliament is neither a court nor

an academy of historians and refused to participate in voting on the report, whose content is in no way within the confines of the competence of the European Parliament.

We deplore the fact that this honorable institution, which claims to play the role of champion of human rights throughout the world, can be led by certain hard-line militants to submit to the demands of passion and irrationality, thus acting irresponsibly and providing an excuse for outdated Armenian terrorism and support for its unfortunate future attacks.

This decision, a result of the votes of a tiny minority of members of the European Parliament, will only solidify the judgment of Turkish generations of today on the events that took place during World War I in Anatolia and that consequently belong to history.

The Turkish Government indignantly rejects the resolution.

11,464  
CSO: 4619/0027

## INITIAL CONCLUSIONS DRAWN FROM POPULATION, HOUSING CENSUS

45190140 Algiers EL MOUDJAHID in French 19 Jul 87 p 3

[Article by A. Ancer]

[Text] The Third General Population and Housing Census (RGPH), taken during the month of April by more than 30,000 persons (teachers, in particular), is currently in the analysis stage. While the basic information remains for the time being a secret hidden in the check marks and figures on the questionnaires, the veil is beginning to be lifted on the major outlines.

In fact, the readers of EL MOUDJAHID learned a few days ago, for example, that the population of Algeria has reached almost 23 million (to be specific, 22,971,558). How many Algerians were there 10 years earlier? The 1977 census showed that there were 16,948,000 of us. Therefore the population has increased by more than 6 million souls. The new rate of increase established by the experts is 3.06 percent per year for this decade. It was 3.21 percent for the preceding decade. There has been a slowing, but a very minimal, even negligible, one. Our women of childbearing age have remained as fertile as their elder sisters were at the end of the 1960s and in the middle of the 1970s.

How can this phenomenon be explained? It is nonetheless true, it will be said, that the average age at marriage has increased thanks to legislation, the development of education and the housing crisis.

What is it, then, that has weighed so heavily on this increased propensity to have children? Are Algerians ruled by a kind of atavism here, born of the great scourges--wars, murderous invasions and genocide, in the tragic period when the colonial occupiers decimated whole settlements, in particular--which have marked the history of our country?

If this is the case, how would this obsession, if such an internalized obsession has developed as the result of the self-preservation instinct, have been passed on, and how is it being passed on at present? Staying with this same hypothesis, there is this need to have a son which remains deep-rooted, even in those with the most thoughtful minds in our society--the intellectuals. Having a son remains a concern for many couples even today, including those who regard themselves as "modern."

Or could it be the impact of a sociological heritage? Do our parents, in the majority illiterate (more than 90 percent in 1962) peasants or newcomers to the city, play a role here, and are they pushing their children toward procreating as much as they themselves did?

In another connection, does the employment of women play a role in limiting births? Doesn't a woman who is not employed try to achieve value in the family by giving birth? Doesn't a working woman tend of necessity to have fewer children?

Here we have the rosary of questions being asked by sociologists, economists and politicians. The appeal to limit families, as it has become urgently necessary to do in these recent years, is not being heard. Or can it be that it has a delayed effect, as manifested in statistics?

There is another concern. What will the consequences of the increase in the average number of persons per household be? Since the birth rate shows only a slight decline, the advance in family size remains constant. The average number of persons per household was 5.9 at the time of the 1966 census, climbed to 6.66 in 1977, and has reached 6.92 in 1987. What importance can be ascribed to the differences seen among the governorates? In other words, why is the advance so unequal by region? The differences are in fact important. The figure for Adrar is 5.15, while that for Setif is 7.76.

Along with Setif, M'sila (7.75), Bordj-Bou-Arreridj (7.65) and Medea (7.52) are the governorates with a large average household size. Those at the other extreme, along with Adrar, are Tamanrasset (5.82), Tlemcen (6.06), Annaba (6.1), Illizi (6.18), Tindouf (6.22) and Oran (6.24). What do these averages show? Health, educational level and economic and cultural development must certainly make their contribution to the answer. The low averages seen in certain governorates in the south might perhaps be ascribed to poor health care coverage, and in view of the natural conditions in the Grand Sud, infant mortality is probably higher there than in other governorates. But what about Oran, then? The situation in Oran and that in Tlemcen seem to be similar to that in Algiers, where the birth rate was only 2 percent per year from 1977 to 1987. Here too the RGPH may, by providing statistical data, point toward the steps to be taken.

Where are the great population concentrations? Migration remains similar to that reported earlier. The population density is greater in the eastern part of the country than in its center, which in turn is more heavily populated than the western portion.

The governorate of Algiers is still the most heavily populated, however, and the only one with a population of more than 2 million. Next in population size is Setif, which has nearly a million people--997,482.

As to communes, the largest is Oran, with 598,525 souls (it should not be confused with the city of Oran, which has a population of 595,181). The commune which ranks lowest is Meridja, in the governorate of Bechar, with a population of 428.



## Slowing and Balancing Urban Development

The 1987 RGPH shows that the country is continuing to become urbanized at a rapid rate. The urban population has reached 11 million, representing 49 percent of the population total. The advance (4 million more) is proceeding at 4.8 percent per year. The urban population accounted for 40.4 percent of the total in 1977, with 6,840,850 persons. It would seem that while remaining at a high level, the increase in this urban population has been slower than during the preceding decade.

Urban development may have become better balanced through the development of new cities and the increase in the size in cities in the interior. "This development is explained first of all by the territorial development campaigns which began after the 1977 population census. They were effected through productive and social investments which were better distributed throughout the national territory. This is one of the first positive results of the policy of spatial planning, which should be encouraged."

### Population in Settlements

	Total Population	In Settlements	In Settlements as Percentage of Total
1966	12,022,000	6,756,364	56.2
1977	16,948,000	10,335,100	61.3
1987	22,971,558	16,233,119	70.7

Urban development is indeed better balanced, but not yet balanced enough. The pressure on the main centers continues. The number of centers with more than 20,000 inhabitants increased from 74 to 115 (+41) while the number with a population of more than 100,000 increased from 8 to 16.

The eight cities with 100,000 inhabitants or more in 1977 had a population total of 2,912,787, or 17.2 percent of the total population. The 16 cities with more than 100,000 inhabitants account today for 19.2 percent of this population (4,406,187 souls), while in 1987, 40 percent of the urban population is living in 300 centers. There were only 217 of these in 1977.

This increase in the number of large cities has been accompanied by a minor modification in their classification on the basis of population.

Naturally, Algiers, Oran, Constantine and Annaba head the list, but Blida and Setif (currently seventh and sixth, respectively) have been bypassed by Batna, which ranks fifth. Chlef and Biskra, which saw increases of 70.2 percent and 67.1 percent, respectively, have moved up several places in the ranking.

What are the reasons for these increases? Are they economic, social, cultural, or all of the above? The analysis of the results of the RGPH will certainly tell us, and corrections can thus be made, because a city which has grown so fast is not easily managed. On the other hand, if it is the seat of a governorate, this may mean that planning was defective, if not entirely lacking.

There is no reason dictating that the urban population must increase. We must also consider the population in settlements, which has shown a high rate of increase. The number of settlements was 2,250 in 1977, and is currently 3,600, representing an increase of 1,350. The population in settlements (rural included) increased from 61.3 in 1977 to 70.7 (5,233,119 persons) in 1987. This indicates, above all (with the 5,230,000 peasants in settlements, in addition to the urban population of 11 million), that the benefits of the modern age are, or can be, made more readily accessible for the rural people when they are grouped in settlements. The fact nonetheless remains that the scattered population remains sizable, accounting for 29.3 percent of the total (which is the reason for the difficulties in supplying electricity, schools and water systems, the slower cultural advance, etc.).

These few figures we have provided reflect only the first results obtained from the RGPH, with totals of a very general nature. The real harvest, therefore, must await the days and months to come. Once the statistical data is available, it will be the task of the experts to answer the multitude of questions the users of statistics are currently asking.

Year	Total Population (in thousands)	Rate of Annual Increase	Absolute Increase (in thousands)
1977	16,948	3.21%	4.26
1987	22.972	3.06%	6.024

	1987	1977	Relative Increase in % (in 10 years)
1. Algiers	1,483,040	1,353,826	9.5
2. Oran	590,181	490,788	20.3
3. Constantine	483,717	344,454	27.3
4. Annaba (+El-Bouni)	310,106	239,975	29.2
5. Batna	182,375	102,756	77.4
6. Setif	168,295	129,753	29.7
7. Blida	165,541	138,240	19.7
8. Sidi Bel-Abbes	151,397	112,988	34.00
9. Chlef (+Chettia)	129,127	75,864	70.2
10. Biskra	128,707	76,395	67.1
11. Skikda	118,848	91,395	30.00
12. Mostaganem	112,820	95,059	32.6
13. Bedjaia	112,693	73,960	38.7
14. Tebessa	107,391	61,073	75.08
15. Bechar	105,907	56,563	87.2
16. Tlemcen	100,405	88,505	13.4

#### Algiers

The first conclusions derived from this year's RGPH show a population of 1,493,000 for Algiers. Analysts say that "The Algiers concentration ... includes all of the present governorate of Algiers, with the exception of the communes of Birkhadem, Bordj-El-Kiffan, Dar-El-Beida and Bab-Ezzouar."

They state further that "It corresponds to what was described in 1977 as Greater Algiers.

"It includes 29 communes, corresponding precisely to the 13 communes of the former Greater Algiers."

The low rate of population growth in this concentration (+9.5 percent in 10 years) is explained by:

--The limited accommodation capacity of the capital.

--The elimination in recent years of marginal housing, thus requiring the resettlement of the residents in other communes, in particular the adjacent governorates and their places of origin.

--The renovation of certain neighborhoods in the capital (Kasbah, Hamma).

--The reorganization of enterprises and the transfer of their headquarters.

--The low rate of demographic growth in the governorate (less than 2 percent in 1986).

And what if one were to change the approach and apply the "200-meter" criterion (when two urban centers are only 200 meters apart, they are considered parts of the same settlement)? This was the case in Adrar, which absorbed four secondary settlements near the urban nucleus. The statistics would certainly point to other conclusions. The Algiers concentration, including all of the present governorate of Algiers, would in such a case have a population of nearly 2,500,000.

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## PROBLEMS IN AGRARIAN REFORM, FARM SELF-MANAGEMENT ANALYZED

## Agrarian Reform Still Pending

Algiers REVOLUTION AFRICAINE in French 24 Jul 87 pp 19-20

[Article by S. Amiar]

[Text] Agrarian reform, based on a certain number of principles, was to allow the recovery of all the land, modernization and mechanization of the farm sector, exploitation of the land on a cooperative basis, and finally, preservation of our heritage.

This program has never been implemented because of the political differences resulting from the sudden emergence of self-management, which put an end to the ideological differences about the methods of using and administering farmland.

In fact, immediately after independence was won, the Algerian workers organized without delay in a self-management committee to administer the farms abandoned by the colonials. Thus the government could do nothing but confirm a factual situation by means of decrees, going on to make self-management the official ideology of the state. It remained only to give this process an administrative structure, which was effected with the creation of the ONRA (National Office for Agrarian Reform, created by Decree No 6390 dated 18 March 1963). This body, under the jurisdiction of the Ministry of Agriculture, is headed by the minister himself. Its main duty is to control the self-managed sectors through the intermediary of the heads of the farm operations appointed by the minister of agriculture. Then, in order to provide a complete structure for the production and marketing activities, a whole network of state offices and bodies was set up. It was then that the administrative autonomy, or the autonomy pure and simple, of the self-managed farm operations became purely formal.

In a general way, the ONRA controls the upstream supply of these sectors with raw materials, as well as the credit allocated by the CACAM (Algerian Mutual Farm Credit Fund), and downstream, all of the agrarian reform cooperatives which are in part responsible for marketing the products.

This administrative framework which was established proved immediately to be inoperative. Since it could not be adapted to the reality in these sectors, it was plagued by one delay and bureaucratic constraint after another, such that the productive activity of the workers was hindered and the results of their efforts seriously compromised.

Then came the reforms. One followed the other in an effort to organize the workers, to specify or modify the roles of the self-management bodies, to improve understanding of the laws, etc. Until 1971, the reforms effected pertained only to the self-managed sectors.

For example, the communal reform of 1966-1967 made the commune the base territorial unit and established it as the fundamental cell in economic and social life. As such, its authority was substantially increased. Where farming matters were concerned, the APC simply took back all of the authority of the self-management sponsoring council which existed when independence was won within these same self-managed sectors.

The ordinance dated 30 December 1968 and the decree dated 15 May 1969 also attempted codification, without, however, making any great changes in the orientation adopted in 1965. These documents further strengthened the authority of the management bodies, giving the general assembly, among other things, the right to ask the sponsoring body to replace technical cadres or directors. The potential conflicts which might result from double command by the director and president were foreseeable. In this connection, the prerogatives of each were defined in great detail.

But in daily practice, this communal reform contributed nothing new along the path of autonomy for the self-managed farm operations. Thanks to their functions and the authority implicitly conferred upon them by the sponsoring body, the directors have the power to and do make almost all of the vital decisions pertaining to the future of these sectors, to which, moreover, they have no ideological loyalty, because they do not obtain their income from their operational results.

The way agrarian reform developed has strengthened and consolidated the stranglehold the sponsoring bureaucracy has on the self-managed sectors in the establishment of the production goals to be reached, the norms to be observed in terms of manpower used, cultural costs and transfer prices, and in addition, approval is required for the allocation of credit and the schedules for advances and compensation in kind are also clearly defined.

Moreover, the Ministry of Agriculture is responsible for vocational training, and thus intervenes directly to correct or suspend the management bodies in the event of inadequate management or violation of the laws in effect.

Decree 69-17 dated 15 February 1969 doubtless made the most important change, in view of the fact that it directly affected the methods of distributing income established in 1963. In brief, this decree made the workers in the self-managed sectors mere wage earners paid by the state. The monthly sums, crudely camouflaged as "advances on sectorial income," were added for accounting purposes to other operational costs for the sector.

Thus agrarian reform did not make many changes in the management of these sectors. The role of the management bodies remain the same. The authority of the sponsoring body became clearer, and this worked to the disadvantage of the management group, which was limited to mobilization and consciousness-raising efforts.

The wage system did these sectors great harm. "About 16 percent of the workers in the self-managed sectors left, and 80 percent of those who remained earned an income of less than 300 dinars per month." (Regis Delbru, "Memorandum on Algerian Commercial Law," CPU)

With the industrial revolution as a contributing factor, the younger workers have left the farm sectors. This has led to the aging of the labor force, a drop in productivity and the development of ever more intolerable deficits.

It was in 1975 that a decision was adopted giving the sectors management autonomy (Ordinance 75-42 on the development of the self-managed farm sector), so that the workers could be rallied to the tasks of production, the level of which continued to drop.

The documents pertaining to this new reform were oriented toward the satisfaction of the workers' social needs.

To this end, Ordinance 75-42 provided, among other things, that workers could obtain advances on their portion of the income, as established by the general assembly of the workers. But it was the governorates which authorized the distribution of these advances.

Similarly, in connection with the elections held by the self-management bodies, it provided that "The governorates must evaluate the results of the elections." (Presidential Circular No 51 dated 16 January 1976)

Along the same line of thought, the APC were entrusted with control of the overall activities of the sectors under their respective territorial jurisdictions.

Just prior to the 1980 reorganization, the self-managed farm operations, because of their size, had proved difficult to administer.

Of these sectors, 34 percent had an area of more than 2,000 hectares, and 70 percent more than 1,000 hectares.

The new reorganization of the sectors was thus dictated by their very nature, and the immediate objective was to make the farm operations viable from the technical and human points of view.

However, the basic goal was to increase domestic farm production, which had reached a critical threshold of deterioration, as rapidly as possible.

In order to do this, it was necessary to reestablish real prices for the farm products on the market, in order to reorient a part of the human and financial capital toward the sector which had until then been the poor cousin of the

economy; to expand the productive capital in agriculture by developing the land and acquiring agricultural real estate (Law No 83-18 dated 13 August 1983 on the acquisition of agricultural real estate), of which 750,000 hectares were acquired by this means between 1983 and the end of 1986; and to exploit water resources to the maximum to increase the irrigated land area. In this connection, more dams and hill reservoirs were built during the first 5-year plan and in 1986 than throughout the whole of the earlier period, including the colonial era.

Since it was known that the self-management sectors alone accounted for more than 2 million hectares of the most fertile land in the country, representing almost two thirds of the domestic farm potential, and since they contributed only one quarter to the overall farm production, decisive campaigns were oriented toward these sectors.

Special efforts were made to ensure greater availability of farm equipment and to make the procedures for obtaining credit more flexible, and to expand the volume of credit allocated. In this connection, 1,460,000,000 dinars of planned credit were allocated for self-managed operations in 1983, and 2,200,000,000 in 1987, representing a rate of increase of more than 50 percent. (These figures were quoted by Minister of Agriculture and Fishing Kasdi Merbah in the special anniversary issue of EL MOUDJAHID DIMANCHE dated 5 July 1987.)

Among the measures of a social nature adopted to benefit the workers in the self-managed sectors, mention should be made of the application of the SGT to the farm workers in 1968, the application of the social security law to the farm sector, the application of the new law on retirement and the adjustment of family allocations to the farm sector, and the development of farm housing programs, etc.

One must ask, therefore, how it is that the overall situation of the public farm sector has not developed to the desired level. About 60 percent of the sectors still show a deficit and 20 percent of those showing a profit do so only thanks to the practice of selling direct to agents, who do not waste this windfall opportunity, moreover, to make a profit.

It is in this connection that the question of autonomy is still a very current one, and will doubtless remain so as long as the results of the operations of the self-managed sectors are inadequate.

#### Current Agrarian Reform Changes

Algiers REVOLUTION AFRICAINE in French 24 Jul 87 p 20

[Article by Mohamed Hamdi]

[Text] A plan to modify the organization and management of the Socialist Farm Sectors (DAS), awaited for quite some time (since the authorities became convinced that the methods and modalities of administration in use in the public farm sector with regard to a number of factors could not produce the desired results), has just been completed by the government. It is designed



basically to eliminate the limitations and hindrances of all sorts which have prevented the producers from assuming their real responsibilities for the whole of their activities.

It would appear that the decisions adopted will completely rearrange the relations in the sector in question, both internally and with the surrounding structures which are precisely the factor most directly involved in terms of responsibility for the blockage and interference in question. This will involve, in fact, a redefinition of the rights and responsibilities of the producers, while at the same time establishing a precise framework for the structural adaptation of the rules for intervention by the surrounding administrative, economic and financial structures.

Now and henceforth, it can be noted that in the new operation, where the rights of the producers are concerned, the producers' collective will have a legal right to the use in perpetuity of the land allocated to it. Thus the collective has the right of full and entire ownership over everything found on the land or which will be established there in the future, that is to say the infrastructures, buildings and plantings. Attributed in joint possession and in equal parts to the producers making up the collective, the rights of use and ownership can be conveyed and surrendered under the same conditions as those applying to everything governed by the common law of obligations. The advantage of the new system being proposed seems to be first of all in the statute of operation, which constitutes a divorce pure and simple from all of the forms of official control known in the past. Not only will the collectives be smaller on the average (without falling below three, however), but they will also be established on entirely liberal bases, being chosen democratically and by affinity among the permanent leaders, including the cadres of the present DAS. It is important at the outset to stress that the size of the operations will be revised, considering efficient mastery of management as the sole criterion. To this end, the size of the new operations should be consistent mainly with the producers' capacity for work, initiative and rational use of the land and the means of production. The freedom to delimit the land allocated to each collective is left to the members, who are nonetheless called upon to respect the homogeneity of land areas as well as the organization of equipment and infrastructures.

This, then, is the commitment--disengagement of the state where the conditions for administering and exploiting the land are concerned, with the collective being free as of the time this new policy is implemented to draft and carry out its production plan; to decide, with full responsibility, on its supplies; and being authorized, within the regulatory framework, to engage in any transaction, either upstream or downstream of the operation. The free initiative of the producers' collective extends to the establishment of any economic enterprise, cooperative or association of joint interest, provided it is designed to improve conditions upstream or downstream of the operation. The resources and tools of state intervention will be adjusted on the basis of the new data, based on the operations in the coming season. This means that the planning of the development of investments and farm production will above all have to do with the satisfaction of long-term needs for strategic products and the development program. New resources will be put to use in order to establish, in the short and medium range, an economic regulation system based



on prices, credit and support by the state. The mechanisms as planned will guarantee clarity and will protect the producer against any bureaucratization. They provide for simplified and more flexible credit procedures, decentralization, and effective autonomy with regard to the financial institutions which will be involved in agricultural development, as well as free relations between the producers and the trade structures of all sorts, with priority being given to clear contractual relations among the partners in the different sectors.

5157

CSO: 4519/139

## BRIGHT STAR MANEUVERS EXPLAINED

Cairo AKHIR SA'AH in Arabic 19 Aug 87 pp 3-5

[Article by Muhammad Wajdi Qindil, "What Does Egypt Gain From the Bright Star Maneuvers?"]

[Text] What do those people want who are stirring up dust and concocting an uproar about the Egyptian-American joint maneuvers?

What do those people intend who are trying to twist the facts and obliterate the goal of the Egyptian army's exercises in the Bright Star maneuvers?

Why are they intentionally mixing up the cards, particularly as concerns Egyptian-American relations?

The issue is not one of an American military presence in Egypt, because that is something that does not exist and is not conceivable.

The issue is not one of foreign military bases on Egyptian soil, because that is a settled question that does not come up.

Then why the dust and uproar about military exercises necessary for the Egyptian deterrent force? Why put them in a context external to their purpose? Why the attempts to cast a shadow on a purely military question?

I am not accusing or exaggerating if I say that from time to time it has been the habit of the opposition to stir up false noise and partisan exaggeration about national security issues. They intend to cast doubt for the sake of casting doubt, thereby harming the national interest and departing from the concept of of a patriotic opposition with its functions and responsibilities.

Either from misunderstanding or from bad intent--in any case, the result is the same.

The confusion and shadows raised about the Bright Star maneuvers by the [National Progressive Unionist] Grouping party newspaper are perhaps an indication of such specious opposition positions merely to stir up doubt and cast aspersions on the government's patriotism and independence of decision-making.

In themselves, joint maneuvers are a modern training method used by the great powers and European countries, both within NATO and the Warsaw Pact, as well as countries of the region, to widen the circle of their military training and acquire improved knowledge in tactics and strategy.

Joint maneuvers take on special military importance because they are an exchange of experience in different kinds of warfare, including desert warfare, and in confrontation plans. They are also an exchange of information and of lessons learned from attack and defense. At the same time, they involve training with new weapons and modern equipment and systems.

In all their aspects, they bring Egypt in contact with the military technological development of the two great powers.

No military powers, especially if they are in a region exploding with regional conflicts and wars and surrounded with dangers, can close in upon themselves, not keep up with the ongoing development of armaments and training, and not try as hard as possible to catch up with international military thinking in planning and tactics as a precaution for any emergency.

Given its location and situation, and keeping in sight its need for a deterrent force, Egypt in particular cannot avert its glance and ignore the growing arms race on its borders, one that imposes on Egypt the need to continually modernize its weapons, conduct military exercises, and eliminate gaps in defense.

Here the value of joint exercises and their results and lessons for Egyptian military expertise become evident, especially if they are with the greatest military power in the world. From joint exercises like Bright Star, Egypt undeniably gains American military expertise and modern weapons and equipment. One should note that the greater part of the Egyptian air, armored, and artillery arsenal has become American and Western.

Also, Egypt benefits from testing other kinds of arms, including Soviet, after they have been modernized and improved as much as possible.

Perhaps I shall not violate the bounds of secrecy if I say that in last year's air defense maneuvers we discovered the existence of gaps in air defense. This necessitated that we obtain modern weapons and equipment to increase the capability of the existing operational system.

I have intended to give an example of the lessons learned from military maneuvers, whether joint or not--exercises some people wrongly portray as the mere exploding of bullets and bombs in the air.

I felt sorrow about the questions raised by a military and strategic affairs expert such as Amin Huwaydi in the Grouping party newspaper, questions aimed at stirring up dust and casting a shadow on the Bright Star maneuvers--for example, "Why are joint maneuvers not carried on with any of the Arab states to realize Egyptian and Arab national security?"

"Why does the American side in these maneuvers play the role of the offensive side, while our forces play the role of the defensive side?"

Then he says: "These maneuvers serve the goals of the American army in possible attack operations under Middle East desert conditions and climate."

Here I stop to direct a question at the military and strategic expert: Whom does he intend by the Arab states with whom one might carry out joint maneuvers?

Is it Libya, whose army is drowning in its bitter defeats in Chad because of Colonel al-Qadhdhafi's rash ventures? Is it the Sudan, whose army has its hands full with relentless battles against the Southern rebels led by Colonel Garang? Who is it?

What expertise would the Egyptian armed forces, with their high fighting ability and modern arms, acquire from such local maneuvers?

As far as my information goes, I imagine there is a great difference in training by means of joint maneuvers with a major military power and in what Egyptian commanders and fighting men can learn from contact, whether from the defensive or offensive position, with American military expertise.

In any case, Egypt does not limit its joint maneuvers to America alone or to American forces in particular.

There was no connection with a particular country [viz. America] in military exercises such as the ones called War Game. The Grouping Party's military and strategic expert perhaps does not know that Egypt participated with Jordan and Britain, who requested maneuvers in the area of special forces.

A fundamental point is that the Egyptian-American maneuvers have no connection with any political, military, or security position. They implement a prior agreement between Egypt and the other countries that wish to undertake some kind of joint exercise. They are therefore not directed against any neighboring countries or aimed at threatening their security.

As Field Marshal 'Abd-al-Halim Abu-Ghazalah has said, he studies the request of any country that asks to hold maneuvers with Egypt and makes a decision to accept or reject it according to the benefit it brings to the Egyptian armed forces. Egypt welcomes military cooperation with the various countries of the world generally in order to profit from their experience.

In any case--and this is a fact--Egypt is not delaying action on an Arab request for training nor is it withholding its military expertise from Arab armies, as is shown by its commitment to the Joint Defense Treaty. As Field Marshal Abu-Ghazalah has said, "Egypt is ready to hold joint maneuvers with any Arab state that requests them."

I do not think there can be anything clearer than this position on joint maneuvers.

However, part of the opposition--for example, the newspaper that speaks for the leftist Grouping Party--always likes to raise doubts about Egyptian-American relations and cast a shadow on any joint cooperation, especially in the military field. Given their affiliation and inclination, their view may be that joint maneuvers, as long as they are not held with the Soviet Union, disclose military secrets and reveal Egyptian weapons and planning.

Such a view makes them lose the distinction between a permanent military presence and a limited-term maneuver.

It is sufficient to mention that Egypt has the final say in setting the time for holding the maneuvers. The American side wanted to hold the Bright Star maneuvers in October, but the Egyptian command chose the time most suitable for us.

As for the proposition that America has an interest in the maneuvers, that is something normal; otherwise, why would it hold the maneuvers and transport its participating forces thousands of miles from their bases in America to the maneuver area in the Middle East? Why would it spend millions on the costs of the maneuvers? Any other country in joint maneuvers will inevitably have an interest in such exercises. What is strange about that?

The proposition that the secrets of our armed forces may be passed to Israel via the United States is merely to raise dust and doubt.

This is because Egypt and Israel have virtually the same sources of arms: I mean American weapons. Also, there are no longer any secrets in the world of Western or Eastern armaments. Every year, the international centers of strategic studies publish their detailed reports on the extent, size, capabilities, improvements, and changes to the American and Soviet arsenals, and these reports include pictures and figures.

Therefore, there are no longer any secrets about armaments, except as affects the two superpowers in intercontinental missiles and nuclear forces.

Take, for example, the new MIG-29 aircraft that Syria has received from the Soviet Union as the most modern aircraft in the Soviet arsenal in order to confront the American F-16. An account of all its details, armaments, and maneuvering capabilities has been published.

As is the case with any other country in the area, Egypt's armaments of various origins--American, Western, or Soviet--are quite well known. What remains is the matter of tactics and the ability to employ the weapons and improve their parts: this is the aspect that involves secrecy and superiority.

In the Bright Star maneuvers, it was Egypt that was in charge of strategic planning and preparation for the maneuvers. As Field Marshal Abu-Ghazalah said, "Egyptian forces will undertake a defensive and offensive role, so as to profit from the resources available to the American side, because Egypt cannot provide the number and variety of aircraft that are participating in the maneuvers."

By the way, a fact many people may not know is that the American forces are paying most of the expenses of the maneuvers and for the materiel they use from the Egyptian side. Neither in Bright Star or in other maneuvers has America ever abandoned this obligation.

This means that Egypt is gaining expertise from these maneuvers at minimal expense, because America is bearing the greatest share of the cost.

By contrast, what used to happen when Egypt held joint maneuvers with the Soviets?

Soviet pilots used to use Egyptian airplanes, train on them, and damage some of them--at Egypt's expense.

What I want to say is that Egypt's will is not mortgaged to American military and economic aid. Egypt is not a captive of the peace agreement and not a prisoner of its special privileged relations with the United States, because the program of the Mubarak government is independence of decision-making.

Thus, Egypt possesses its own will and is able to define its position without embarrassment and without reference to external influences. President Mubarak's decisions are determined by the national interest, taking into account current variables in the region and the international balances.

As I said, the joint Egyptian-American maneuvers do not mean external domination or foreign bases on Egyptian soil, but rather the acquisition of expertise and exchange of information, just like what happens in soccer matches with foreign teams.

Without doubt, there is continual military development and changing strategy. It is in the interest of Egyptian commanders and soldiers to be in contact with the military force of the most powerful country in the world and keep up with what is happening in terms of planning, modern tactics, and effective resources.

As a related question, I ask how we can set our minds at rest and stand at ease when on our western borders we see al-Qadhdhafi's ventures and limitless ambitions that continue against our neighbors, as is happening in Chad?

How can we avert our eyes and ignore what is around us, while we see the increasing military strength of the reckless neighbor on our western borders and of the other neighbor on our eastern borders?

How can Egypt, with its strategic position and location controlling the entry to the Red Sea and eastern Mediterranean, forget its role and responsibilities toward maintaining peace and stability in the region and preserving the element of military balance vis-a-vis other forces in the Middle East and the Gulf, such as adventurous and ambitious Iran?

The opposition's problem or its historical dilemma is that it has not grasped the credibility of the Mubarak government. Either out of inability or

intentionally, it has not understood that President Mubarak does not speak with two tongues or operate in two ways, either at home or abroad. This is why other countries respect him, what he says, and his frank public positions.

Since he first assumed office, Mubarak has defined his position unequivocally and decisively on the question of foreign bases in Egypt. For years, there has remained no room for dispute or discussion with the American side. In their discussions and meetings with the Egyptian leadership, American officials do not bring up the question of bases, considering it finished and settled by the Egyptian side's rejection.

When the American administration at a certain time raised the question of the Ras Banas base in the Red Sea and the facilities requested at it for the Rapid Deployment Force, President Mubarak's reply was clear: Under no circumstances can I allow the establishment of a foreign base on Egyptian soil.

At that time, the American side understood Mubarak's position and his decision based on national sovereignty, and the subject of the Ras Banas base was completely closed.

Another question on which President Mubarak has from the beginning taken a position of speaking frankly with the American administration is that of military aid.

During his first trip to Washington after assuming the presidency, he asked that military aid, as is the case with Israel, be a nonreturnable gift, in implementation of the equal-treatment agreement between al-Sadat and Carter, so that arms loan payments and interest would not form a double burden on Egypt.

America in fact granted Mubarak's request. The arms and military equipment became a nonreturnable gift. Otherwise, Egypt would have borne huge burdens in modernizing its armed forces and supplying them with improved weapons, such as F-16 aircraft, M-60 tanks, Hawk missiles, etc.

In spite of the fact that America has doubled the price of the weapons it is offering in the context of military aid, this aid still constitutes the cornerstone of the Egyptian arsenal, because it amounts to \$1.3 billion a year, without conditions and without restrictions.

The point I want to come to is this: Egypt's decisions lie in Egypt's hands. No one is imposing on Egypt anything that violates its national sovereignty.

Anyone who says otherwise is only trying to extinguish a truth as bright as the sun!

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## ISRAELIS IN SOUTH AFRICA REPORTEDLY CONTENT

Johannesburg THE STAR in English 30 Jul 87 p 10

[Article by Peter Allen-Frost]

[Text]

There are about 15 000 Israelis living in South Africa today and most don't want to "come home". That's the conclusion of government officials in Tel Aviv.

Israel has a special government department set up to persuade its citizens not to make their homes abroad. It spends considerable time, effort and money trying to induce those who have left, to return.

One official who went to South Africa recently, Mr Ephraim Cohen of the Absorption Ministry, reportedly met hundreds of Israelis who do want to come back. The decline in the value of the rand plus the unrest has unnerved them. Yet from many viewpoints, the grass in the Republic is decidedly greener than that in Israel.

A Tel Aviv newspaper this week ran a full page article on the Israelis in South Africa which said most of those in the Republic are between the ages 25 and 40, including many academics and technical personnel with military experience in battle units.

**Problem of jobs**

Government officials are making efforts to find these "yordim" (to use a derogatory Israeli term) positions in industry in Israel. Yet a major source of employment for them, the defence industries, are currently facing problems. They are firing people themselves. Cuts in defence exports and home defence spending have taken their toll.

Ironically, reports in Tel Aviv say if Israel does go through with its threat not to renew defence contracts with South Africa or not sign new ones, then the Israeli defence industries will be in worse trouble.

Jewish immigration from South Africa is up but still counted in the hundreds. Only a small percentage of Jews leaving the Republic come to Israel — most opt for the US, Canada or Australia.

This year officials hope 1000 South African Jews will come as immigrants and hope the number of "yordim" returning home increases proportionately.

Within the next three months a group of Israeli businessmen will arrive in South Africa to talk with the "yordim" and try to find them positions in their companies.

Government officials are arranging "pilot tours" for Israelis wanting to come back. If they return, the cost of the tour is a grant; if they stay in South Africa, they have to pay it back.

The newspaper report said the rise in the power of the right wing in the recent general election and reports of rising anti-Semitism, are combining to make Israelis uneasy in the Republic.

Political tension, "violence between blacks and whites", as the report said, has exacerbated matters. But the paper concludes that the



bottom line is something the government officials don't want to accept: South Africa today, with all its problems, is a lot more attractive to many Israelis and other Jews than is the State of Israel.

A number of Israeli entertainers who have visited the Republic over the years have found themselves on a blacklist put out by the United Nations. This has been circulated to the world's radio and television stations with a request that these performers be boycotted.

Top place on the list went to Britain with 19 performers or troupes. The US was second with 13 names and Israel third with 11.

### 'More dangerous'

Dancer Valerie Panov (formerly of the Soviet Union) is on the list because of a performance five years ago. She told an Israeli newspaper: "We appeared for the people, not for the government. South Africa is not perfect in a number of fields, but if the UN wants to act against certain states, then it should first act against the USSR where the situation is more dangerous. If I am boycotted I will feel as though I am back in the Soviet Union."

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CSO: 4400/0272

## DEMONSTRATION DENOUNCES U.S., SUPPORTS IRAN

44040445c Beirut AL-SAFIR in Arabic 30 Jul 87 p 4

[Article: "March in Tyre in Support of Iran and in Denunciation of French and American Positions"]

[Text] A huge rally was organized in Tyre at the invitation of the Islamic resistance to express solidarity with the Islamic Republic's position in its defiance of world arrogance and to denounce the war of the camps.

The Islamic resistance announced that yesterday afternoon at 2 pm "multitudes of believers from all areas of the South converged on the ancient Roman stadium in the city of Tyre to participate in the march. They went out in a demonstration led by a number of eminent ulemas jeering America, France and Israel until they reached the religious school mosque where they held a huge rally in which Shaykh Muhammad al-Ghirawi and Shaykh Hasan Nasrallah delivered a speech."

In his speech, Nasrallah said: "We declare our unlimited support of the Islamic Republic in Iran under the leadership of our guardian, Imam al-Khomeyni, and of the government and the people of Iran in their opposition to the arrogant forces in the gulf region, America and France in particular, because American and French intervention in the gulf is a flagrant aggression on Islam.

"Moreover, we categorically reject all the internal battles they are promoting nowadays and call upon the concerned parties to put a stop to this state of affairs before it is too late in order to safeguard the lives of martyrs and the accomplishments of the Islamic resistance. We, in exchange, extend a helping hand to all those who wish to fight Israel through actual combat and not only by rhetoric and lipservice."

12502

## QABLAN DESCRIBES SOUTH AS 'GATEWAY TO PEACE OR WAR'

44040445b Beirut AL-SAFIR in Arabic 28 Jul 87 p 3

[Article: "Qablan: Radical Remedies Required. South is Gateway to Peace in the Region"]

[Text] The distinguished Shiite mufti, Shaykh 'Abd-al-Amir Qablan, warned that the situation in the South is very complex and viewed ongoing attempts to sow the seeds of discord in the South as closely linked to international and regional standards and to endeavors under way to hold an international conference on the region's crisis.

In a talk he delivered yesterday, Qablan emphasized that the South is the gateway to peace in the region as well as the gateway to war. He called upon all officials and those seeking a settlement to be fully aware of this reality and use it in their efforts to stand in the way of the weak and hypnotic remedies which frivolous forces can exploit to ignite civil strife and to transform external struggles into a sectarian and confessional conflict.

Qablan drew attention to the fact that "actual practices in the South are not aimed against the Palestinians," saying that "the rational and intelligent Palestinian leadership fully understands the situation and is confident that practices exercised shortly before the invasion provided the main reason and pretext for the Israeli invasion of Lebanon and that current practices in the South are of the kind that strongly reject a return to the pre-1982 status of anarchy and practices and infringements that used to be committed under the motto of liberation and opposition to Israel." This is a rightful claim because the one who lives through the experience is not the one who raises the slogan.

Qablan also called for reason to prevail over sentimental slogans and for dealing with the southern reality in a way that restores security and unity to the South, thus liberating it and cleansing its soil of the Israeli enemy.

Qablan cautioned that any practice or any course not in keeping with this reality will undoubtedly benefit Israel and that anyone seeking to foment trouble in the South under the pretext that the Amal Movement and the Shiites in general are against the Palestinian people is a traitor and an Israeli agent.

He concluded by saying: Our only demand is to organize and guide our armed action so that the outcome may fulfill our aspirations. But to allow anarchy, excuses, pretexts and sensational propaganda to continue and to accuse the Amal Movement of blockading the camps, of depriving the Palestinians of their right to a decent life and of driving them away from their camps are all false and unacceptable allegations.

Those who engage in such falsehoods are nothing but a propaganda tool in the hands of the enemy whose goal is to destabilize the South and fragment it in order to achieve its principal goal of fragmenting Lebanon.

12502

## AUTHOR'S VIEWS ON ISLAMIC CONDITION CRITICIZED

44040455a Beirut AL-SAFIR in Arabic 28 Jul 87 p 11

[Article by Nabhan Kaywan: "Islamic Condition is Reaction, Not Action"]

[Text] AL-SAFIR published an article by Mr 'Ali Hashim under the title "Crisis of the Nationalist Plan not the Islamic Condition."

The article contained several points, some of which incriminated the Lebanese National Movement while others were in violation of the rights of individuals. Other aspects need to be expounded upon and refuted.

The writer postulates that dialogue with the Islamic condition has been rejected by the National Movement or has been banned or deemed unworthy of consideration, being oblivious to the fact that the National Movement, led by its great martyr, Kamal Junblatt, was the first to call for the unification of all national and progressive ranks and Islamic groups who stand to benefit from change and progress into a single front to place Lebanon on the democratic track in pursuit of a comprehensive solution toward liberation and development. The writer is also oblivious to the fact that all Islamic groups, be they traditional or revolutionary, participated in the great national conference and gave their stamp of approval to the national plan (the national forces' and parties' transitional program).

In another place, the writer holds the National Movement responsible for failing to include the Islamic condition in the dialogue with Maronite political circles in Geneva and Lausanne. This is patent slander against the National Movement because it was not responsible for determining which groups had the right to go to Geneva and Lausanne, not to mention that the Movement and its leader, Walid Junblatt, believed that the only result these meetings would achieve was to postpone the military settlement which the movement was brokering. Moreover, the forces that were on the ground were the ones that participated in these meetings with some traditional personalities, and we all know how this participation in the aforementioned meetings went!

He goes on to charge that the National Movement used the extremist card to issue threats when "it was in a jam."

The Movement has never felt the need to issue threats using someone else's card because it is mighty powerful and can use this might and this mass support of its national leadership as a threat.

#### Resistance to Zionism not Fundamentalism

Then the writer goes so far as to postulate that the national calls were aimed at establishing a front to resist the fundamentalists who have never waived in their resistance to Zionism, and that overt and covert inflammatory campaigns during which the flesh of the mujahidin was sacrificed in order to curry favor with the East and the West were waged in order to cause friction with the Islamic condition through street practices.

We would have preferred not to enter into these labyrinths that add to the fragmentation of the Islamic scene. However, the writer's calumny against the national and leftist scene, laying the full blame on one front while ignoring the excesses of the Islamic condition and its ties to intelligence agencies, Arab and foreign, and to the 'Arafat line. He is also ignoring attempts by the Islamic condition to cause disruption and disarray in the national arena, carrying out other people's policy under Islamic unification mottos, striking at our people's political and military struggles and depriving the national parties of their democratic right to engage in partisan activity in areas where the fundamentalist groups are concentrated. Witness what happened in Tripoli, West Biqa' and the South and the attempt to monopolize the right to resist Zionism all by themselves under the motto that resistance to the enemy of God must be undertaken only by believers. How many national resistance operations have been foiled by these groups? The writer should not forget the assassination and terrorist campaigns against the nationalists under Islamic mottos and should not overlook those who establish themselves as guardians and judges passing their verdicts: This one is a believer, that one is an infidel, that one is an apostate. He should not forget the violation of people's rights and personal freedoms in the name of religion.

The writer goes on to accuse the National Movement of treating the Islamic condition with disdain. The National Movement, throughout its long history and under its wise leadership, has never been disdainful in its dealings with any Islamic or national party with which it shares, even the most elementary principles and objectives that serve society and are in the interest of the desired change. Disdain applies only to those who have gone astray and are wrapped up in chauvenism and selfglorification and to the mercurial souls that cannot abide by any specific position.

As for accusing the national arena of having foreign ties, we would not like him to sink to the level of Phalange propaganda, he who is well aware that the relations of friendship and cooperation the National Movement maintains with Arab and international revolutionary forces are based on joint cooperation for the sake of achieving human objectives aimed at emancipating the toiling masses. This cooperation is based on mutual respect and its broad objective is to free these masses from dependency on western and imperialist forces and to emancipate Third World peoples from imperialist American political and economic hegemony.

The writer then comes to the conclusion that the Islamic condition was not involved in domestic conflicts, trying to bestow on it the character of depth, "for its presence goes much deeper than Sunni or Shiite sectarianism." This claim is disproved by the reality of the Lebanese and Arab arena and, indeed, the entire Islamic arena. What kind of depth is this, when the "condition" is being fragmented and split among chieftains and 'ulamas, each having his own opinions, views and militias that engage in overt conflicts to the point of transforming some mosques into a battleground using silent weapons, as happened in a mosque in Sidon.

As for limiting military action and opposition to Zionism to the Islamic resistance, this is the ultimate affront to the National Movement. Opposition to the Zionist occupation as achieved through resistance to its agents within the country and opposition to the Israeli Maronites to use the writer's term through the first confrontation in Qugay' and al-Qaryah at a time when the Israeli forces were occupying the South, Beirut, the mountains, western Biqa' and Rashayyah and opposition to the Zionist enemy had become very effective, including the war to liberate the mountain, al-Shahhar West, the southern suburbs and West Beirut from Israeli Maronite hegemony. Perhaps the writer still remembers who undertook that war of liberation and who unleashed the national resistance and embraced it militarily and politically and who paved the way of it. For with our appreciation of the heroic operations the Islamic resistance carried out against Lahad and Israel, these operations were not born suddenly and would not have been born at all were it not for the war of liberation in the mountain, the suburbs, Beirut and East Sidon and for the national participation of all progressive forces led by the Socialist Progressive Party and its national masses in the mountain and the regions of Rashayya, Hasbayya, Beirut and all other Lebanese areas. Moreover, operations being carried out today in the depth of the border strip are undertaken, as everyone knows, by the national resistance.

So what is the reason for such infringement upon the rights of the Arab nationalist base? What is the reason for disregarding the sacrifices of the nationalists? Why shut one's eyes to the martyrdom of our pious masses?

As for the apprehensions raised by the Islamic condition in the nationalist arena, if indeed they existed, they are due to the selfglorifying proposal put forth by this condition. It is a reaction of the political Maronites' proposal for setting up a Christian state countered by the condition's proposal to set up an Islamic state at a time when the National Movement and the Lebanese masses are fighting to set up a secular democratic government employing the socialist system as a social and economic solution to the caste system in our society. At this time, the slogans of an Islamic republic are raised to counter the Christian state, blotting out the struggle of the Lebanese people, with their various doctrines and beliefs, to set up a unified state that guarantees the rights of everyone.

Moreover, the apprehensions that were raised among the nationalists about the Islamic condition's proposal were well-founded. The nationalists, through their long experience in struggle action, knew where this condition's selfglorification and chauvinism would lead. Suffice it that it has driven

away all scientific, technical and medical expertise from the national arena and suffice it that it has wiped out scores of university professors, doctors, scientists and world journalists through abduction, assassination and threats under the pretext of espionage or working for a foreign government so that every thinker started thinking of himself as a spy, or an infidel or an atheist.

The writer goes on to say that the Islamic condition represents a plan for revolutionary change! While expressing our reservations about this term, what are the foundations of such a plan and how will it be implemented? Will it deal with the desired economic solution? And how will it unify all of the Lebanese groups?

#### Lebanon and Sectarian Dictatorship

To consider the Islamic condition in Lebanon as a part of the Islamic revolution in Iran adds to the division and fragmentation of the Islamic world. For with due respect to the objectives on which the Iranian revolution was based, we do not approve of its suppression of the Iranian people and its violation of their rights, nor do we approve of its hostility to all the countries of the world and to the achievements of the human mind through its civilizations, not to mention its position on Arab issues. Furthermore, this link between the Islamic condition in Lebanon and the Islamic revolution in Iran has plunged the Lebanese arena into additional complications and added burdens and has embroiled the Islamic national arena in issues far removed from the crux of its cause. For whereas the Lebanese situation used to be closely tied to the Palestinian cause, it is now tied to conditions in the Gulf and Iranian interests. What possible interest can Lebanon or its nationalist arena have in showing enmity toward Iran? And what interest does the Islamic arena have in being an outlet for the Islamic policy or a staging ground for indiscriminate threats on the part of the Islamic condition. And what end can the taking of hostages in Lebanon serve: the liberation of Jerusalem or Iranian policy? To whom have these hostages been sold? And for what price and to whose advantage?

'Ali Hashim reaffirms that the Islamic condition in Lebanon is an extension of the Khomeyni political plan while others are extensions of global ones, be they eastern or western.

We were hoping that it represented an Arab Lebanese plan stemming from Arab and Islamic problems on this Arab arena rather than a reaction to what he called eastern and western plans.

In conclusion, Hashim said that the real problem lay in the content of the nationalist plan and not in the Islamic condition and that the adoption of political democracy would be tantamount to sinking deeper and deeper into ignorance and falling in the conspiracy trap. He called for getting out of the game of reforms and phased plans in order to draw up a universal confrontation plan that can put a stop to Zionist occupation.

By holding the nationalist plan responsible for the real problem without dealing with the points or terms of the plan, the writer engages in vain



endeavors . For any discussion of criticism of the national plan without focusing on all the questions that have been raised in this regard is a futile argument. Why attack the content of the nationalist plan while failing to identify the cause?

We still consider the plan for the phased dissolution of national forces and parties which Walid Jumblatt proposed with the consent of all the nationalist parties as a proper basis for debate among the nationalists of the Lebanese arena to arrive at a secular democratic system that guarantees the rights of all citizens, being fully aware of the changes that occurred on the Lebanese arena in the wake of the Israeli invasion of Lebanon.

The national plan on its part will not forget the Israeli enemy's presence and ambitions in Lebanon, in the South in particular.

Moreover, we consider that plan to be the minimum acceptable solution to the Lebanese situation. We are ready to debate and to embrace any scientifically based program that promotes the idea of progress, provided that it has the consensus of the nationalist and popular base.

As for the call to get out of the game of reforms and phased programs, we can only describe it as a groundless anarchist appeal without clear bases and firm foundation, for a phased program is a first step toward a comprehensive solution.

As for resistance to the Zionist enemy, it can only be achieved by allowing all anti-Zionist forces to engage in national action and to stand united in their confrontation with the enemies without placing any obstacles in the way of national resistance operations merely because they ideologically disagree with the Islamic condition. It also requires a sound Arab appeal for solidarity in undertaking this task rather than fragmenting the Arab and Islamic world and dividing it into sectarian regimes, replacing political dictatorship with a sectarian one in the name of religion.

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## AUSTRIAN AMBASSADOR DESCRIBES ECONOMIC TIES WITH KINGDOM

Riyadh RIYADH DAILY in English 9 Aug 87 p 2

[Article by Guil C. Franco Jr]

[Text] RIYADH, August 8 — Austrian Ambassador to the Kingdom Gerfried Buchauer has noted that relations between the Republic of Austria and the Kingdom of Saudi Arabia cover "a dynamic comprehensive bilateral cooperation."

In the field of trade, Saudi Arabia, he told *Riyadh Daily*, was for many years Austria's second market outside Europe and is now number three behind the United States and Japan.

"Austria, of course, buys Saudi oil," he said, "and the Saudi consumer, constructor and industrialist appreciate such Austrian products as wood and wood products, milk products, juices, pharmaceuticals, paper, textiles, clothing, the whole range of finished industrial products for consumers and industry, with a large portion of machinery and trucks. There is also a technical cooperation in such areas as water supply, electricity, tourism, and conservation of buildings."

The excellent relations were facilitated by both "geographical and emotional vicinity," the Austrian envoy further noted.

He said that communications between the two countries were "very good," with four direct weekly flights between the Kingdom (two from Riyadh, two from Jeddah) and Vienna by Austrian Airlines.

"There is a rejoicing likeness in the deep aspirations of Saudis and Austrians both on personal and government levels, and increasing discovery of each other, not the least thanks to visits of Saudi citizens to Austria, this year estimated to reach easily 15,000," he pointed out.

"The permanent Austrian colony in the Kingdom is now down to approximately 350, but it is active, opinion-forming, and its professional achievements and personal well-feeling in the Kingdom is also a very positive contribution to mutual appreciation," he added.

He also noted on an official level the relations were excellent, as illustrated by the number of high level visits in both directions and the further invitations already accepted, such as those of Minister of Foreign Affairs Prince Saud Al-Faisal and Second Deputy Prime Minister of Defense and Aviation Prince Sultan bin Abdulaziz to Austria; and of Mayor of Vienna Helmut Zilk and Federal Chancellor Franz Vranitzky, to the Kingdom.

Buchauer told *Riyadh Daily* that Saudi Arabia and Austria also cooperate effectively in multinational forums, particularly in the United Nations.

"They share the belief that relations between states must be

peaceful and governed by international law. Both are constantly ready to offer good services in the interest of peace and stability in a troubled world, respecting the principle of non-interference in the international affairs of other countries," he said.

Looking to the future, the Austrian ambassador stated that he was putting his trust in the further intensification of both economic and political, and also cultural, scientific and technological cooperation.

On a government-to-government level, the next steps he hoped for were realization of the planned visits and the signing of three agreements on economic and technological cooperation, on cultural exchange, and on aviation.

"On the level of individual citizens, families and groups, I hope that the many Saudi citizens who are spending their vacation in Austria this summer are spending their vacation in Austria this summer are enjoying their stay in my country, making friends there, and will come back again with others," Buchauer said.

"For the Austrian colony in the Kingdom, I hope that it will continue to thrive and be happy and give the good example of what Austria and Austrians are and have to offer to others," he concluded.

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CSO: 4400/271

## SULTAN INAUGURATES INFANTRY CORPS INSTALLATIONS

Riyadh RIYADH DAILY in English 9 Aug 87 p 2

[Text]

ABHA, Aug. 8 — Second Deputy Premier and Defense and Aviation Minister Prince Sultan bin Abdulaziz inaugurated today the new installations for the center and school of infantry corps at King Faisal Military City in Khamis Mushayt.

Prince Sultan, who was accompanied by Assir Governor, Prince Khalid Al-Faisal and a number of Princes, was welcomed by the Commander of the Southern Region, Major-General Abdullah Al-Tasan, Brigadier Prince Mohammed bin Nasser bin Abdulaziz, the commander of the infantry corps and the commander of the infantry corps' center and school, Brigadier Salih Al-Karza'i.

Speaking on the occasion, Brigadier Salih Al-Karza'i highlighted the development accomplished at the infantry corps.

For his part, Colonel Abdulaziz Al-Oteishan, the director of the military works department, praised the generous support extended by the state to the Armed Forces.

The project includes buildings for the Southern Command, a library, restaurants, swimming pools, playgrounds and stores.

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## VOCATIONAL TRAINING STRESSED, ADDITIONAL CENTERS ESTABLISHED

Riyadh RIYADH DAILY in English 11 Aug 87 p 2

[Article by Furqan Ahmed]

[Text]

RIYADH, Aug. 10 — As general education is expanding in the Kingdom, technical education and vocational training has also received a new impetus during the last academic year which ended in June.

With a new vocational training center set up in Najran last year, the total number of centers operating in various parts of the country has now risen to 25, says the annual report of the General Organization for Technical Education and Vocational Training.

The number of enrolments at the morning and the evening programs organized by these centers totalled 9,938 of which 7,112 have already graduated.

There were eight pre-vocational centers, each having two sections, industrial and commercial. A total of 1,319 persons enrolled at these centers during 1985-86, of which 1,175 graduated after completing successfully the prescribed training.

The report further says:

"Human resource development and promotion of social welfare have been accorded a high priority by the government in its development efforts. In the field of human resource development, an important objective is to have a well-trained indigenous labor force. For this purpose, a number of technical institutes and vocational

and pre-vocational training centers have been set up. These institutes and centers have been training an increasingly large number of persons every year in various vocational fields."

"For promoting social welfare, a number of social and community development centers have been established, in addition to the setting up of numerous specialized centers such as education centers for orphans, guidance centers for delinquent children and rehabilitation centers for disabled persons."

"The agencies which deal with all these problems include the ministry of labor and social affairs, the General Organization for Vocational and Technical Education and the General Organization for Social Insurance."

"The General Organization for Technical Education and Vocational Training has set up a number of technical institutes, vocational and pre-vocational training centers and instructors' training institutes."

"Technical education covers industrial, commercial and agricultural fields. In the industrial field, there are two high-level institutions, namely, the Intermediate Technical College and the Higher Technical Institute. In

1985-86 the Intermediate Technical College had 241 students and the Higher Technical Institute had 25.

"In addition, there are eight industrial secondary institutes in which intermediate-level students enrol to graduate as technicians in various specializations, such as: electricity, radio, television, automobile engineering and civil engineering. A total of 3,960 students enrolled at these schools during the year under review."

"Commercial education is given at two levels, higher and secondary. For the higher level, there are two institutes in Riyadh and Jeddah offering regular full-day and evening classes. The number of students enrolled at these institutes during 1985-86 was 310. There are also 11 secondary schools for commercial education. The students enrolled at these schools during the year totalled 6,548."

"For agricultural education, there is one model agricultural institute in Buraidah organizing courses on agriculture. A total of 169 students enrolled at the institute during the year under review."

"There are also three institutes for technical assistants and the number of students who joined them during the year was 346."

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## NEW DESTOURIAN SOCIALIST PARTY COMMITTEES DISCUSSED

Tunis LE TEMPS (DIALOGUE supplement No 663) in French 22 Jun 87 pp 8, 9

[Interview with Abdelaziz Ben Dhia, head of the PSD--Destourian Socialist Party; date and place not given]

[Text] The creation within the PSD of permanent study committees, as well as amendments to the internal structure of the party and the designation of new leadership, could not indicate more clearly, as emphasized by Abdelaziz Ben Dhia in this interview, that the Bourguiba party is beginning a new phase in its history. It hopes to recover its original role of party-leader, with a view to assuming fully, through a rational, pragmatic method, its role as the party in power, and even being able to improve the continually evolving Tunisian reality.

In line with the specific role that we wanted to give this inquiry, within the framework of the whole party, each of whose organs assumes a particular function, we limited ourselves to three questions concerning the technical data about these committees as well as the ideological significance of their creation.

Question: Sir, what are the meaning and scope of the establishment of these new structures, the permanent study committees?

Answer: As the general secretary of the party explained during the first meeting of these study committees, the creation of these committees means that the party desires to deepen its dialogue with its members, as well as with all forces concerned for the safeguarding and enrichment of the achievements of the Bourguiba regime, achievements realized over a period of 30 years, which is a record. Clearly, the name "permanent study committees" given to the five structures that have just been created emphasizes their continuity as organizations for reflection, and it is in this way that we expect them to enrich, in large measure, our approach to our current problems related to development activities, to the progress of the national community and to the life of the party. Thus the creation of these committees is far from being contingent upon circumstances. On the contrary, their activities will be continuous, cohesive and of a prospective nature. The party wants to make of these structures an adequate framework for an objective evaluation of the actual situation,

an analysis of the difficulties, and the formulation of concrete proposals with a view to solving these difficulties, all within the goal of realizing the objectives we have set for ourselves in the political, economic and social spheres.

The function of these committees, then, is to enrich the party's activities through the participation of experts in the various domains in order to establish an overall strategy adapted to reality, which is in a state of continual evolution and transformation--particularly our situation today, which is the result of both internal and external factors.

It goes without saying, of course, that these committees, which are to meet regularly twice a month, will not in themselves constitute the only view of our national reality. There are also the rank-and-file party structures, as well as other frameworks, within which proposals will be made and documents studied. This will be done on the local, regional and national levels in such a way that it will be possible for the members of the Political Bureau to keep up with the concrete data of party life and of everything concerning the economic and social situation.

It should also be recalled here that the direct contact promised by the government and party leaders in the course of their travels about the various regions also constitutes a means of enrichment of our national reality.

Our different approaches to the actual situation are the result of scientific considerations and of a methodical approach imposed by the needs confronting us.

And it is in this sense that the Political Bureau has proposed to each of these committees a certain number of centers of interest concerning which scientific analyses will be made, based on technical documents which will be put at their disposal, whether by the party leadership or by the various ministerial departments and the economic and social institutions involved.

These analyses will also be based on the various resolutions of the party congresses as well as on the recommendations made within the framework of drawing up development plans. And as the prime minister and general secretary of the party has pointed out, the themes proposed by the Political Bureau to these committees cover all of the political, economic and social aspects of national life. And nothing will prevent them, certainly, from including other subjects if that is deemed necessary.

Question: What will be the relationship of these committees to the already existing structures of the party?

Answer: The first aim in creating these committees is the party's recovery of its original political purpose, the purpose that its founder, President Bourguiba, wanted for it: that of being the source of inspiration and the chief promoter of the government's activities. Consequently, the function of these committees will be to study the problems and to



propose practical, concrete solutions for them. But these proposals can only take on an executive character after they have been discussed and adopted by the various recognized levels of the party. These committees are consultative structures. They recommend decisions, but they do not make them, and only by virtue of this is their function important.

In short, the party proposes, by the creation of these committees, to recover its role as observer of the various aspects of national life and as a center for reflection within which all questions having to do with Tunisia's future will be debated. It is not customary, actually, for such a prestigious and important party as ours not to have permanent study committees.

Question: Has the composition of these committees a definite character?

Answer: The composition of these committees does not follow any preestablished rules. They include Destourian members as well as those patriots who are concerned about the preservation and enrichment of our achievements. The door remains open, therefore, to all those who, for love of Tunisia, wish to participate in reflection at the national level on the essential questions relating to development activities in our country. The door remains open to the university elite, which is only, in the final analysis, the product of choices made by the Bourguiba regime since the dawn of independence. And from this point of view, it would be foolish for the party not to call upon this elite which was formed in the light of its basic options. Especially since the PSD is always defined as the party of the entire nation, with all its components. Participation in the work of these committees by all national areas of power illustrates very well the fact that our party is at once the party of the elite and of the popular masses.

#### Chairmen and Vice Chairmen of Study Committees

Following is a list of the general chairmen and general vice chairmen:

##### Committee for Party Affairs

Larbi Mallakh, general chairman  
Mekki El Aloui, general vice chairman  
Naceur Ben Cheikh, general vice chairman

##### Committee for Political Affairs and International Relations

Abdelmalek Laarif, general chairman  
Mohamed Karboul, general vice chairman  
Abdeljaouad Mzoughi, general vice chairman

**Committee on Education and Instruction**

Abdessalem Mseddi, general chairman  
Mme Moufidha Goucha, general vice chairman  
Ahmed Friha, general vice chairman

**Committee on Youth and Culture**

Kamel Sassi, general chairman  
Fathi Gargouri, general vice chairman  
Aissa El Baccouche, general vice chairman

**Committee on Economic Affairs**

Taoufik Baccar, general chairman  
Salah Hamdi, general vice chairman  
Taoufik Cheikh-Rouhou, general vice chairman

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## HEKMATYAR DISCUSSES 4-PART PEACE PLAN

Bonn DIE WELT in German 24 Jun 87 p 7

[Interview with Gulbuddin Hekmatyar, head of fundamentalist Islamic Party, by Walter H. Rueb; date and place not given]

[Text] WELT: Moscow appears ready for a political solution to the Afghan conflict. Do you trust such signals?

Hekmatyar: Nothing is known to us officially about Moscow's readiness for a political solution. When Moscow approaches us officially, then we will respond.

The Russians speak of peace, but reality looks different. The war--which quite recently has been raging more violently than ever before--contradicts their claim of working toward a political solution and, as a result, peace. On the contrary: The Soviets want a victory by military means. They have just begun a new offensive in the southern part of Afghanistan with thousands of soldiers. These are supported by tanks, airplanes, and helicopters. Because of heavy fighting, the road over the Salang Pass was even closed--and this is the main supply route from the Soviet Union.

WELT: Does the resistance really have American Stinger rockets at its disposal?

Hekmatyar: Come with us to Afghanistan. Then you will see and receive the answer to your question.

WELT: Government and party chief Najibullah is urging ex-king Zahir Shah to return home from his exile in Rome and to head a coalition government of national reconciliation. Now even Gorbachev says in an interview with the Italian Communist Party newspaper that he is not opposed to the participation of Zahir Shah in a coalition government. A new development?

Hekmatyar: The entire Afghan nation has clearly rejected Najibullah's suggestion. I cannot respond to Gorbachev's reported statement. I was not present at the interview with the Italian Communist Party newspaper.

WELT: Gorbachev also said that the Soviet Union does not absolutely insist upon a political solution which keeps Afghanistan under Soviet influence. Do you see in this the possibility for a negotiated solution?

Hekmatyar: Words, words. I am sure that no one in the resistance lends any credence to the words of Gorbachev. Only Gorbachev himself and his circles believe in these nice-sounding assertions.

Did the Soviets come to Afghanistan for no reason at all? If so, then there would be a political solution at the present time...However, if Gorbachev is really striving for a political solution, then he should not talk, but should negotiate and withdraw his troops. Then peace will exist the very next day.

For our freedom, though, there is no guarantee provided even then. In Kabul, where the government resides, many rooms are occupied by Soviet advisers. Through the presence and loyalty of the Soviet advisers, Moscow's power reaches even into the anterooms of ministers and presidents.

#### Resistance Better Armed Than Ever Before

WELT: Junos Khales, the leader of Hezbi Islami II, recommended direct talks between the resistance and the Soviet Union. Simultaneously, he rejected negotiations in which, in addition to the USSR, Kabul and the USA would participate. Do you support his initiative?

Hekmatyar: I hold the same view. In the Afghan conflict, the Soviets and the Mujahedin are the opponents. For this reason, only the Russians and the Mujahedin alone can find a negotiated solution. The Kabul regime at the conference table--that is out of the question. We reject even Pakistan or anyone else as participants in negotiations concerning a political solution.

The Afghanistan problem was created by the invasion of the Russians--it will end when the Russians leave our land. But I have already said that the Russians have not yet approached us officially, and that they have not officially announced even a single proposal--it makes no difference by whom it was made. As soon as the Russians approach us and lay out a proposal, we will discuss it, decide, and respond.

WELT: Professor Burhanuddin Rabbani, the leader of Jamiat Islami, has suggested how a provisional government might look, but the All-Party Alliance and its party have not. What are the reasons for this?

Hekmatyar: With regard to this, the 7 parties of the Alliance held a meeting a short time ago. The only party which presented an official and written recommendation for a political solution to the Afghan conflict was Hezbi Islami I. I just happen to have with me the document presented on that occasion. I will reveal to you what my party proposed.

But you should first know that which Burhanuddin Rabbani proposed and which was rejected by all other party leaders. Rabbani proposed that the provisional government be made up of former generals, judges, lawyers, and officials. And he developed the idea that, after the Soviet withdrawal, peace be guaranteed by UN troops.

My proposals, on the other hand, were accepted. Only two party leaders were opposed. Rabbani belonged to the group who agreed with my recommendations.

My proposals to the Soviets state:

1. Soviet troops will be withdrawn from all parts of the country and concentrated in 4 places: Shindand, Baghram, Kelagei, and Dehdadi. An orderly withdrawal will follow from there.

2. The Najibullah government in Kabul will be replaced by a provisional government. It must not be dependent upon any foreign power and must be accepted by the resistance. The individual members and the president of the government will be elected by the Afghans.

3. The provisional government will have the task of monitoring the withdrawal of the Russians and of preparing for and carrying out the election of the permanent government in Kabul. Four-fifths of the members of the government will come from the armed resistance forces, and one-fifth will come from Afghan refugees in Iran and Pakistan.

4. The withdrawal of the Russians must take place within a specified time period. If the Soviets do not accept these preconditions, then no further negotiations will take place. The resistance will then continue armed conflict until further notice.

WELT: That was the cue. Why did the resistance reject the ceasefire proclaimed by Najibullah in January? Are the Mujahedin not yet tired of war? Do you believe in success through military means?

Hekmatyar: We believe in a possibility for peace, but not in Najibullah's promises. Peace can come about only if we resist and if we prove that one cannot do with us that which other peoples in Europe allowed the Soviets to do.

There is only one path to a political solution and to peace: Right now we must defend ourselves, fight, resist. Perhaps someone else knows another way--but we know only this one. I say again: We want to fight, to die, or to win.

Naturally, we do not seriously believe that we can defeat the Soviet Union, a world power, with weapons. However--with our will, our spirit, and our unyieldingness--we can change Moscow's opinion that a small nation is defenseless. We are not defenseless--the world saw that long ago. And the resistance is not tired. It is stronger, better armed, and better organized than ever before. And it is united and is supported by the sympathy of the entire world.

WELT: For almost one year, there has been an Afghan government-in-exile in the United States. Why has the resistance not created a similar one in Peshawar?

Hekmatyar: In most governments-in-exile, the KGB is included among the members. In many cases, the KGB even encouraged the creation of governments-in-exile--for easily understandable reasons.

In our case, a government-in-exile is totally superfluous. Governments-in-exile are needed by those who no longer have a homeland. But we have one. Because we have 90 percent of Afghan territory under our control, while only 10 percent of our homeland is controlled by the government in Kabul. Why should we then create a government-in-exile?

Something else: We do not have a government-in-exile, but we do have a powerful and united All-Party Alliance, which is supported by all Afghans. However, it has recently become the target of criticism and sabotage from abroad, where governments-in-exile are held in such high esteem.

I would like to emphasize one thing: It is not governments-in-exile who will decide about Afghanistan's future, but the Mujahedin. They represent 90 percent of the Afghan population, and they have carried the burden of the war for years. What have the members of the government-in-exile done during this time?

WELT: In the USA and Europe, prominent Afghans claim that the All-Party Alliance has very little influence among both the 5 million refugees in Pakistan and Iran and the commanders of the resistance groups in the interior of Afghanistan.

Hekmatyar: Such claims are nonsense and pure propaganda against the Afghan resistance. If the party leaders and the Alliance in Peshawar had neither authority nor influence among the commanders of the armed resistance in the interior of Afghanistan, then the Mujahedin would not have been able to fight successfully for years against the strongest military power in the world.

With regard to the question of influence among the refugees, an example: In January 1987, a gathering of 300,000 Afghans took place here in Peshawar, to discuss and to decide about the ceasefire offer by Najibullah. If the Alliance had neither influence nor authority, then how could it have mobilized so many people in two days?

WELT: A short time ago, a report circulated among the world press to the effect that the USA and the Soviet Union had undertaken secret negotiations concerning a political solution in Afghanistan. The alleged goal of the negotiations was to find a political solution without the participation of the irreconcilable rivals in Kabul and Peshawar. Don't you fear that your struggle of many years could be in vain, as the result of a solution forcibly imposed by the world powers?

Hekmatyar: So far as we know, contacts between Washington and Moscow are occurring on a continuing basis. It is unknown to us whether secret negotiations concerning Afghanistan are in progress. But we are unperturbed.

We did not begin the Holy War following political initiatives from abroad, but only because our country was attacked. And--after so many sacrifices and such a long time--we will not end the Holy War because of some agreements made without consulting us. America and the Soviet Union can conduct secret negotiations and do whatever they want to do--but we will fight until Afghanistan is free again.

#### King Zahir Shah's Regime Root Of All Evil

WELT: There are rumors about party chief Najibullah. He is reportedly being replaced because he has not lived up to the expectations of the Soviets. You are acquainted with Najibullah from being university students at the same time. Do you still remember him?

Hekmatyar: I would never have thought that the Russians would make such a mistake as installing Najibullah as government and party chief. That is the worst mistake which the Russians have made during the course of the Afghan conflict.

The political antagonisms and problems in the Democratic People's Party, in the unsuccessful army, and in the government which is so weakly anchored in the people were not eliminated by Najibullah's assumption of power, but were increased. The party was almost destroyed by nasty factional fights, the government army is hobbling along, and Babrak Karmal is more popular and loved today than is his successor.

I studied contemporaneously with Najibullah at the University of Kabul--he, medicine; I, engineering. He was a member of the Parcham faction of the Democratic People's Party. As a member of the Islamic Party, I clashed with him again and again. We discussed a wide variety of subjects--but always without agreement. I will never forget what he replied to my question as to whether he wanted to make Afghanistan into a Soviet republic: "Why not?"

WELT: Najibullah was an early supporter of the current Communist regime in Kabul with Moscow's blessing. Where did you stand politically and what were the reasons for your persecution and imprisonment by King Zahir Shah and his government?

Hekmatyar: The regime of King Zahir Shah was the source of all of the evil under which Afghanistan has suffered for years. During the time of the rule of Zahir Shah, Afghanistan was the poorest country in the world--but he did nothing to change this.

Afghanistan was dependent in every way upon foreign countries. There was no industry here, and our agriculture had difficulty in feeding the population. If there had been a severe drought, the population would have starved. Poverty and hunger at that time forced some Afghans to sell their children.

Bribery and corruption were the order of the day; education was neglected. With a population of 16 million people, there was a single university with barely 7,000 students, and 97 percent of all Afghans were illiterate. There was only one doctor for every 50,000 Afghans.

WELT: And the king's foreign policies?

Hekmatyar: It was Zahir Shah as well who opened Afghanistan's doors and gates to the Soviets. The influence of the Russians grew stronger day by day. The economy, politics, and the army soon became dependent upon the Soviet Union; the king finally permitted the establishment of a Communist party.

Shouldn't a patriot, in such a situation, do everything possible to defend the independence of his homeland? This consideration caused me to oppose the king's regime. Zahir Shah quickly recognized that my friends and I could become dangerous to his regime. Members of left-wing parties were not persecuted; to make up for this, even more members of the Islamic Party landed in jail at that time. Among others, I as well.

WELT: Is it conceivable for you, in any way or at any time--for example, either in a provisional government of national reconciliation or perhaps afterwards in an Afghanistan restored to peace--to work with King Zahir Shah?

Hekmatyar: No way! Never! Never!

#### When Communists Must Beg For Allah's Blessing

WELT: You are the leader of Afghanistan's most militarily powerful fundamentalist party. Are you in contact with Iran? Do you receive financial support from Khomeini? Is it correct that you maintain ties with Libya?

Hekmatyar: Our revolution is older than the Iranian one. As we were tallying up our first successes, the Iranian one was just beginning. The Iranian revolution was influenced by ours, not ours by the Iranian one.

Years ago, we had representation in Iran. However, for various reasons, we closed the office. We also do not receive any financial contributions from Teheran.

We do not have any relations with Libya. Countries which approve of the Soviet aggression against Afghanistan cannot simultaneously support the Afghan resistance. Libya is a country which sanctioned the Soviet invasion and which has no regard for the Afghan resistance.

Something more about Iran. We do not agree with the Khomeini regime either ideologically or in form of government. Like Iran, we do indeed have a single symbol--Islam--but, in the Iranian system of government, there are the Imam, the religious leader, and the political leader. For this reason, Iran



has so many difficulties; because it has an Imam and a head of government besides. My ideal is the following: The religious leader must simultaneously be the political leader. The entire power of the state must be concentrated in one person--then there are no conflicts between different leaders.

WELT: Your countryman Najibullah crossed your path many years ago; now he is the strong man in Kabul. Do you consider it possible that you will have a chance to succeed him at the top of the government in Kabul, after a Soviet withdrawal?

Hekmatyar: If our struggle is concluded successfully, then nothing is impossible. But, peace must first arrive--with forgiving and forgetting. Yes, I am speaking of amnesty...

Even in the other case and with a continuation of the war, Najibullah's fate will be the same as that of his predecessor...Even today, he must face up to reality and begin his tasks in the name of Allah, and beg for the support of God in their fulfillment.

During the month of fasting, it was shown several times on Afghan government television how the Communist Najibullah was praying and reading the Koran. Najibullah no longer speaks publicly about Communism. He is obviously being forced by the Soviets to publicly declare himself a follower of Islam. They thus recognize that, in Afghanistan, no other power has a chance. Why should I--as leader of the Islamic Party and a fighter for many years against the godless--not succeed him as head of state?

13275

CSO: 4620/38

## DEFENSE EXPERT COMMENTS ON INDO-SOVIET MILITARY TIES

Bombay THE TIMES OF INDIA in English 8 Aug 87 p 8

[Article by K. Subrahmanyam]

[Text]

SIXTEEN years ago this month, we concluded the treaty of peace, friendship and cooperation with the Soviet Union. This is widely remembered. What is not so widely remembered is that August also marks the twentyfifth anniversary of another milestone in Indo-Soviet relations — an agreement with Moscow for the purchase of MIG-21 aircraft.

Those days the Indian security community was deeply perturbed over the transfer of a squadron of American F-104 Star fighters to Pakistan just as we are now about the transfer of F-16s and the proposed transfer of AWACS to the same Pakistan by the same U.S. The Star fighter was the first supersonic aircraft to be introduced into the sub-continent and was deemed to be a generation ahead of the Indian aircraft inventory in terms of technological sophistication. Consequently the government of India initiated discussions with U.S., British, French, Swedish and Soviet manufacturers to acquire an aircraft of similar performance characteristics.

The Indian government desired transfer of technology for licensed production of the aircraft. And since it was suffering from an acute shortage of foreign exchange, it also needed appropriate financing arrangements for the project. The IAF evaluated the British Lightning aircraft and did not approve it. The Lightning did not prove to be a successful aircraft as we know from subsequent history. The French and the Swedes could not come up with appropriate financing arrangements. The choice was, therefore, limited to

the Lockheed Star fighter and the MIG-21. The preference of the IAF was for F-104.

**"Widow Maker"**

Subsequently the Star fighter turned out to be what the Germans called "widow maker". (More than 200 pilots lost their lives in air crashes in West Germany). The aircraft was not accepted by the U.S. Air Force, but the Lockheed Corporation was able to sell them to Holland, West Germany and Japan, among others, through the use of kickbacks. Of the aircraft then considered, only MIG-21 and the French Mirage IIIs and Vs turned out to be highly successful and are still flying in various air forces. The government of India, particularly the then defence minister, Mr Krishna Menon, forced the choice of MIG-21 on the Indian Air Force. In retrospect it is clear that Mr Menon was right in doing so.

In this article, however, I am more concerned with the political significance of this deal rather than with the intricacies of the weapon selection process. India was the first country to which the Soviets offered the aircraft and the licence for production. Though MIG-15, MIG-17 and MIG-19 were being produced in China under licence, the Soviets did not permit the Chinese to produce MIG-21. For Mr Nehru and Mr Krishna Menon, this contained a significant message regarding the state of Sino-Soviet relations. Already the Chinese had taken the stand that the Soviet neutrality in the Indo-China border dispute, as dis-

played in the Tass communique of September 9, 1959, following the Longju incident, was in reality an expression of hostility.

August 1962 witnessed the conclusion not only of MIG-21 agreement between India and the Soviet Union but also the agreement between the Soviet Union and Cuba which was to lead to the Cuban missile crisis in October 1962. Some scholars hold that the Chinese were aware of the impending placement of missiles in Cuba and timed their action against India to coincide with it so that the Soviet Union would be immobilised in any Sino-Indian confrontation and that this is exactly what happened.

In the famous *Pravda* editorial of October 27, 1962, when the Cuban missile crisis was still on, the Soviet Union exhorted their Chinese "brothers" and Indian "friends" to make up and called the McMahon Line an imperialist inheritance. But at its meeting on December 12, 1962, the Soviet politbureau reversed its stand and named China as the aggressor.

These developments have a relevance today in view of Mr Gorbachov's refusal to commit himself explicitly to an anti-Chinese and anti-Pakistan stand in India's disputes with them at the press conference which he addressed at the end of his visit to Delhi last November. This has been cited by interested parties as an indication of the Soviet Union moving away from India.

## Avoidable Delays

Mr Nehru did not allow himself to be misled by the *Pravda* statement. He was clear in his mind about the complications produced by the Cuban missile crisis. He pulled up the then defence minister, Mr Y. B. Chavan, when the latter clubbed together the Soviet and Chinese communists in one of his speeches. In 1963 it became quite clear that the Soviet Union was committed to India. It then concluded a series of arms supplies agreements with India even as the United States was refusing India combat equipment in spite of the propaganda barrage on "massive military assistance". The MIG-21 agreement opened the gate for subsequent Soviet supplies of surface-to-air missiles, PT-76 tanks, 130 mm guns, F-class submarines,

Petya class patrol vessels, T-55 tanks and so on in the sixties.

In 1962 there was little awareness among our politicians, diplomats (with a few exceptions), service officers, mediamen and academics about the Sino-Soviet conflict. It used to be asserted that "Commies" would always hang together. This simplistic understanding of international politics led to avoidable delays in our approaching the Soviet Union for military equipment.

It is difficult to say what would have been the Soviet stand on the India-China border conflict in 1962 if the Cuban missile crisis had not occurred simultaneously. However, one point is obvious. As a global power, the Soviet Union is bound to have commitments all over the world, and when it has to face more than one crisis at the same time, it has to make a choice. And if one of those crises involved India, Moscow would have its own order of priorities. India cannot always expect to be the first in the Soviet list. Even otherwise, while relying on the Soviet countervailing power, India should not be totally dependent on it to pull its security chestnuts out of fire all the time.

One lesson of the developments in 1962 and subsequently is that the actions of nations are more reliable indicators of their intent than their verbal professions. The MIG-21 agreement was a clearer indication of Soviet support to India than *Pravda* editorials. While as a people we may tend to set more store by declarations, other nations, with better understanding of international relations, invariably treat actions as being more important than statements. That is what the Chinese did in 1962; they were not taken in by the *Pravda* editorial in question. Nations watching Indo-Soviet relations closely today too are likely to place greater emphasis on the arms transfer aspect of the relationship than on statements made at press conferences.

It is well known that MIG-29s have been supplied to India, that this country is among the first to get the aircraft, and that it is to be produced under licence in this country. The U.S. — *Defence And Foreign Affairs Daily* (July 7, 1987) has published a report on the likely supply of MIG-31 as well as a nuclear propelled (not nuclear armed) submarine by the Soviet Union to India.

There is no confirmation of these reports from Indian sources nor is there likely to be. However, Pakistan, China and the U.S. will assess the state of Indo-Soviet relations on the basis of these transactions.

We also did so in 1968. In our eyes the Soviet supply of arms to Pakistan following Marshal Grechko's visit to that country was more eloquent than Soviet verbal protestations of friendship with us. The Soviets soon realised their mistake and rectified it. Today U.S. actions — waiver of the Symington amendment in respect of Pakistan in spite of its relentless quest for nuclear weapons capability, the release of Nasim Ahmed after his conviction on the charge of attempting to export krytron switches to Pakistan and the continued laxity in monitoring world-wide Pakistani clandestine operations to obtain nuclear weapons related material and equipment — speak loud and clear of its commitment to Pakistan.

## Thimayya's View

The MIG-21 agreement also initiated the norms for the subsequent Indo-Soviet military relationship. India does not accept Soviet instructors. The Soviets respect the Indian ability to absorb instructions in the USSR quickly and to set up subsequent training, maintenance and repair facilities in the country. This has helped avoid stresses and strains in Indo-Soviet military relations, which have arisen in other countries that have received significant quantities of Soviet military supplies. The Indian armed forces are quite independent in evolving doctrines in respect of use of combat equipment. The offensive use of Styx missiles by the Indian Navy against Karachi, for example, took the Soviets by surprise.

Mr Nehru and Mr Krishna Menon failed to educate the civil and military bureaucracy on the Sino-Soviet conflict. Consequently men like General Thimayya could not think of India fighting a war against China with Soviet backing, as he wrote in an article in *Seminar* in June 1962. The Indian Army was psychologically not prepared for the war in 1962. Hence the debacle in Sela-Bomdila. Once again because of an inadequate appreciation of the international balance of forces, there is a feeling of vulnerability vis-a-vis China.

## PAPER GIVES DETAILS ON 'ARAFAT DELHI VISIT

New Delhi PATRIOT in English 5 Aug 87 p 1

[Text]

Palestine Liberation Organisation chairman Yasser Arafat has hinted at the possibility of a joint Indo-Palestine initiative to bring to an end the seven-year Iran-Iraq war.

The subject was high on agenda of his talks with Prime Minister Rajiv Gandhi on Monday evening and they had discussed various possibilities, Mr Arafat told a press conference on Tuesday.

The PLO chairman said his organisation was supportive of all measures and initiatives that sought an end to the Gulf war, and therefore "valued" Iraq's propositions which seek to secure cessation of hostilities and peace.

Responding to a question, Mr Arafat said he was a member of both the non-aligned and the Arab League committees entrusted with the task of finding out solutions to end the Gulf war, and would continue his personal efforts for the peace in the region.

The Gulf war, which was attracting big power naval presence in the region, was against the interests of both Iran and Iraq, and all States of the region. The real losers would be the Palestinian people and their cause, Mr Arafat said.

The PLO chairman strongly criticised Iran for its threat to "uproot Saudi rulers" to avenge the killings of Iranian pilgrims in Mecca during a demonstration and the police firing, and the stampede that ensued, last week.

He said Iran's official communique, declaring a vow to avenge the deaths of the pilgrims, was tantamount to a direct interference in the internal affairs of Saudi Arabia.

Terming the Mecca riots as "tragic events", Mr Arafat said the Holy Quran ordained that the faithfuls should not even argue during the Haj pilgrimage. "If even that is prohibited, what to say about a political demonstration?" he asked.

The PLO chief declined to come forth with a direct criticism of Saudi Arabia for its role in the controversial US Iran hostages-Contra arms deal, and reiterated his organisation's support and solidarity with "all freedom fighters and liberation movements" in the world.

"Of course, I don't approve of any Arab state supporting the US and the South African policies and positions. But regrettably some Arab States do have these links", he said.

However, Mr Arafat explained that the Arab world fell in the US area of influence and its naval hegemony, and "some things happen because of that". But, he asserted the entire Arab world could not be blemished, and "neither can you hide the sun with the palm of a hand".

When a correspondent remarked that the disunity in the Arab world was growing so much that the PLO might finally find itself left with only Israel as a friend, Mr Arafat retorted, "Who

knows Israelis will not be our friends in future?"

The PLO's object was to create a State in which the Arabs, Muslims, Jews and Christians lived together, but not the Zionists, and the organisation had therefore decided to open free dialogue with all democratic, secular forces inside Israel, he said.

Asked about his reaction to India staging the Davis Cup quarter-final match with Israel in the Capital last month, Mr Arafat said: "No comment". These things do not really affect the Indo-Arab relations which "are very deep and based on sound principles", he added.

The PLO chairman refuted a suggestion that despite all the support India extended to the Palestine cause and the Arab world, the Arab states were pro-Pakistani. "I am surprised that you claim to be a representative of the Indian people. The Indian people do not think so", he asserted. The question, he thought reflected imperialist thinking, who "try to fish in troubled waters".

The PLO chief also corrected an impression, created by statements purported to be from the PLO sources, that some in his organisation supported demand for self-determination by the people of J and K. Such statements had never come from him, he stressed.

/9317

CSO: 4600/1904

## PRESIDENT'S SPEECH TO PARLIAMENT ON INDEPENDENCE DAY

New Delhi PATRIOT in English 14 Aug 87 p 5

[Text]

Following is text of the President's speech at the commemorative session of Parliament to mark the 40th anniversary of Independence of India:

"For one who has had the great privileges of participating in the epic struggle for our freedom this commemorative meeting of the Houses of Parliament is a heart-warming event. May I, therefore, express to the Parliament of India my deep appreciation of its decision to convene this meeting. As chairman of the National Committee for the celebration of the 40th anniversary of our Independence, it is a particular pleasure for me to place on record the committee's appreciation of this imaginative gesture.

Those who responded to the call of Mahatma Gandhi and joined the liberation movement did so without any hope that their dream would be realized within their life-time. This occasion, therefore, cannot but cause a thrill to those who participated in the freedom movement and have the good fortune to witness the 40th anniversary of Independence.

Presences bring absences to mind. And so it is both natural and fitting that we should take time today to remember all those patriots, whether the foot-soldiers of the great generals of the army of freedom, who are no longer with us to share in our joy.

Friends, we heard a few moments ago excerpts from Jawaharlal's speech which has now become part of history. The history, not just of our sub-continent but that of the freedom-

loving peoples of the whole world. The 'stroke of the midnight hour' as Nehru described it signalled the transfer of power from British to Indian hands. That transfer was only the visible form of a much more fundamental transformation that took place simultaneously. As authority passed from his Britannic Majesty, the majesty of the masses of India came to be established. A change-over took place, from servitude to freedom, from despondency to hope, from denial to opportunity.

History has worked magic into the date '15 August'. I recall the euphoria that swept over the land on 15 August, 1947. On India's ancient face appeared, after centuries, a radiant smile reflecting the hope of a newer and better life ahead. In their enthusiasm the people of India dreamt that poverty will be replaced by plenty and that all human misery will be wiped out overnight. It took some time for our people to realize that freedom by itself does not bring about transformation that freedom was an instrument to bring about revolutionary changes in their life.

It was given to the great visionary, Jawaharlal Nehru, to forge those instruments of change on the anvil of a pragmatic idealism. Through a unique experiment in democratic planning he sought to telescope centuries of advance in industry and science within a series of five-year plans. The results are there for all to see. Drought assail us periodically, like the present one. But, basically, we are self-sufficient in food, self-reliant in basic industries and are on the threshold of an entirely

self-generating economy. Countries that became independent along with us after the second World War have lagged far behind. We have achieved all this in our own unique way. Even as we achieved freedom without armed rebellion, we have achieved economic progress with the consent of the people. Our plans have been debated in Parliament and approved by the people's representatives.

The measure of land reforms, for instance, even though it has been put through ever so tardily, has been free from the taint of violence or the suppression of a class. All this is a victory for the concept of a mixed economy, for the concept of planned economic development and for the democratic form of government.

Having said this and noted with satisfaction the success of our plans and policy, we must admit to a sense of something missing, a forgotten factor, a recalcitrant problem, that seems to defy solution.

Jawaharlal Nehru was once asked, "what is your principal problem?" and he replied, "we have got 360 million problems in India". Elucidating his answer, he said, "I suggest that the only policy that we should have in mind is that we have to work for the 360 million people. Not for a few, not for a group but the whole lot, and to bring them up on an equal basis." That was in 1954. How one wishes one could say, in 1987, that we have got 360 million problems in India. We unfortunately have more than twice that many problems.

Each year, each month, and each day means so many more mouths to be fed, hands to be employed, minds to be educated, bodies to be clothed, housed and given health care. In hard terms this means that we will have to meet the challenge of a population which has reached the 800 million mark and still threatens to increase. Programmes will therefore have to be so devised as to afford palpable satisfaction to the millions. It is well-known that such satisfaction can only come if the people concerned feel that they are participants all along the line—from formulation, through implementation, to fruition. Now this is where the institution of Parliament and the parliamentary form of democracy have a unique role to play.

The founding-fathers of our freedom movement, consciously and with full knowledge of implications, opted for parliamentary democracy as the political system best suited to the needs and genius of our people. They realized that in the multi-level pluralist complexity of our society, only that polity can work which is founded on the principles of give and take. We shall be unworthy of our democratic inheritance and false to the trust reposed in us if we do not adhere to the spirit of democratic accommodation. While democracy makes for debate, it precludes confrontation. While it makes for self-expression, it renders agitationism redundant. Accommodation, not acrimony, consensus, not confrontation mark a healthy democracy. It should be our endeavour to reach consensus on national issues and make it our normal working method.

Democracy and the principle of one-person one-vote imply that all are equal and that in the exercise of their democratic rights, everyone enjoys equal protection. They need protection against all forms of inequality based on birth, caste, creed or other factors. Democracy works successfully in countries where there is a homogeneous population or where people acquire, even when having different origins, the sense of oneness and belonging to the country. Our efforts should be directed towards achieving this Indianness so vital for the functioning of democracy. During the struggle for freedom we reached a very high level national integration. Unfortunately we have, since independence, fallen by the wayside and taken wayward steps towards casteism, parochialism and separatism. It appears that the dormant tribalism in man has revived with a vengeance after Independence. We are mistaking parochialism for patriotism and obscurantism for nationalism. The fortieth anniversary of independence is an appropriate occasion for a soul search and self-examination of the past profession, present practices and future trends.

India has a glorious history of respect for all religions and tolerance, towards all faiths. It is seldom realised that Islam came to India long before the invaders and Christianity long before, the East India Company. They had all lived in peace and harmony for

centuries, each contributing their best to the culture of India. As a result of the diabolical policy of divide and rule practised by the colonial power, seeds of discord were sown in the body politic leading to the unfortunate partition of the country. It is necessary to capture the old spirit of brotherhood among people following different religions in accordance with the true spirit of every religion. It was Kabir who sang: *Jat na pochhiy sadhu ki puchh lijiye gyan* —

"It is the right knowledge of the person that is to be respected always and not his caste or community."

It behoves the leaders of all religions to restore harmony among fellow beings and ensure peace and tranquillity within our country so that our energies may be directed towards the upliftment of the masses and thus redeem our pledges to them.

Friends, our life in recent times has been vitiated by the phenomenon of terrorist violence. Acting blindly but with diabolical sophistication, terrorism has hit out at simple men, women and children who offended none, nor offered any provocation. The nation's conscience mourns the homes that have been shattered by what can only be called the massacre of the innocents. Let us on this historic day make it clear to all concerned that the people of India cannot be taken for granted by forces that seek to harm our society. Let nothing that undermines the faith, the principles and the culture of our society and the basic institutions of our nation go unchallenged.

May I appeal to fellow citizens through their elected representatives

gathered here, to renew their commitment to non-violence — the weapon which won us freedom.

If violence and confrontation have been threatening us at every turn in India, dark clouds of mistrust overhang the arena of international relations also. It has been India's privilege to have recently been called upon to play critical roles in defusing tension and restoring confidence among embittered rivals abroad. This role is entirely in keeping with our tradition and our genius. I would like to take this opportunity to congratulate the government of India on its farsighted, brave and altogether statesmanlike role in international affairs.

Friends, our task is only half-finished. The task of redeeming the country from alien rule has been achieved but the greater task of redeeming the people from poverty still remains ahead of us. The latter task calls for sustained effort by all sections of society and all political parties and institutions. There is an enormous area of cooperation for all of us in this gigantic task. I appeal to all the people of India to join together in the steps towards eradicating poverty from the country. May I conclude with the summons sent out by the *Katha Upanishad* which Swami Vivekananda made famous.

*Uttisthata—(arise)*

*Jagrata—(awake)*

*Prapya varan nibodhata—(and stop not till the goal is reached).*

/9317

CSO: 4600/1913



## FURTHER DEVELOPMENTS REPORTED IN FAIRFAX CASE

Letters to IRS, Hershman Interview

Calcutta THE SUNDAY STATESMAN in English 26 Jul 87 pp 1, 9

[Article by Warren Unna]

[Text]

WASHINGTON, July 25.—The Indian Finance Ministry's anti-corruption office twice sought the help of its counterpart in the U.S. Government last January in an effort to gain prosecution evidence against Indian companies and individuals, according to correspondence obtained from abroad by this correspondent.

In both instances, letters were written by Bhure Lal, the subsequently removed Ministry of Finance Director of Enforcement, to Joseph Bruno, Group Manager for Criminal Investigation in the U.S. department of Internal Revenue, the U.S. Government office concerned with tax collection and violation.

The first letter, dated January 19, reads:

"I am grateful to you for the time you gave me to discuss certain matters of common interest on December 22, 1986. During my discussion, I raised some points of common interest such as investments in "tax havens" by Shah of New York (Praful and Nalini Shah, Non-Resident Indians identified as being affiliated with Reliance Industries Ltd of India); role of BCCI, London (Bank of Commerce Credit, incorporated in Luxembourg but with headquarters in London); and, in particular, of Mr Y. D. Padhiyar (identified as an Indian national working for BCCI), Louis Dreyfus Corp. (a giant U.S. export-import group specializing in agricultural products), matters pertaining to Ballarpur group of Industries (an Indian company with an agent relationship with

Dreyfus), and Protina Mooruddin Co. (also described as having an agent relationship with Dreyfus).

"Louis Dreyfus Corp. has secret agreements with DSSI (another Dreyfus agent), 210 Din Dayal Upadhyay Marg, Rouse Avenue, New Delhi also. I had given you papers pertaining to J. K. Doshi, a hawala racketeer, New York, and of one Salim of California. I shall be grateful if information is passed on to me for further action against tax evaders and racketeers. For your ready reference, I am attaching copies of papers I left with you in Washington."

The second letter from Bhure Lal to Joseph Bruno, dated last January 22 reads: "I hope you have received my letter of 13th instant. In order to spell out more clearly the assistance we are seeking from you, I felt that I should write a more detailed letter on the subject.

"Our primary investigation is against Reliance Industries Ltd. who has had several dealings with a large number of U.S. companies. They have been involved in collaborations with Dupont of Wilmington, Delaware, and Chemtex of New York. There are also investments in Reliance Industries by Non-Resident Indians amounting to several million dollars through tax haven companies established in the Isle of Man, and the British Virgin Islands. We would request you to assist us in investigating how companies such as Dupont and Chemtex received their payments from Reliance Industries.

"It is our understanding that these transactions involving payment to these firms have not been properly reported in India and may not have originated with the approval of the Government of India. In the case of the investment by one Mr Shah of Flushing, New York, it is our belief that this money has not been invested by Mr Shah himself, as the amounts (invested, it was learned, in Reliance shares) do not justify his (modest) level of income and life style, and therefore he may have been acting as a possible front for another investor who may have his roots in India. As these investments have neither been correctly reported in India or the USA, we would very much appreciate the help of your Directorate in our investigations.

"We would appreciate whatever help you could give us as also whatever assistance you can provide to Mr (Gordon Andrew) McKay (Vice-president and general counsel of the Fairfax Group investigating consultancy) and his associates in the Fairfax Group in Washington, who are assisting us.

"Thanking you in anticipation for your assistance and also for all the courtesies shown to us."

The Fairfax group (whose headquarters actually are in the Washington suburb of Annandale, Virginia) had been hired by India's Finance Ministry last year to help in the corruption crackdown. It was they who complied with Bhure Lal's request to, first, arrange for a meeting with his U.S. Govern-

ment counterparts here in the U.S. last year, and then assist in the crackdown on Indian corruption abroad.

In an interview in his office yesterday, Fairfax's president, Michael Hershman, declared: "Since the recent reverses in Prime Minister Gandhi's popularity we have noted a distinct increase in corruption attempts by certain Indian officials and those presuming to represent them. I know of a number of American firms doing business with India who have been approached to make a 'contribution' of 5% of the value of their pending contracts to 'off shore welfare funds.' Mr Gandhi's name has been invoked as these American companies were told this is now necessary for them to do business in India. None that I know of, have given into the demands of these people."

Fairfax's president, while still refusing to give out the results of his investigation, flatly declared that there exists "an incredible amount — tens of millions of dollars — in several Swiss bank accounts belonging to high-level Indian officials. Switzerland is literally overflowing with their money."

He indicated that his investigation into corruption has included not just Reliance, but other Indian corporations and individuals, and that he has been tracking down such activity in the U.S., Switzerland, England and other countries.

Hershman also revealed that he now has been approached twice by the Thakkar-Natarajan commission — but refused to cooperate because he remains convinced they are engaged on a "witch hunt" and are more interested in "cover-up" than looking into Indian corruption.

The first approach, he said, came through a "messenger" from the Indian Embassy here in Washington who presented him with 12

questions in his own handwriting on a blank sheet, explaining the commission desired Hershman's "informal" responses.

"In my mind, this extraordinary conduct for an allegedly well-intentioned commission was purely a damage-control device. Before I committed anything in writing, they first wanted to see what I might have to say," Hershman declared.

He informed the Indian Embassy "messenger" that, for him to cooperate, he first wanted to know what the commission was doing to investigate a "forged" letter on his office stationery with his vice-president-General Counsel McKay's purported signature, a letter intended to scuttle the overall anti-corruption investigation. He then wanted in writing official commission stationery, the scope and authority of its investigation charter.

A few days ago, Hershman recounted, a letter came under official wax seal. "First, they said my questions concerning the state of the forgery investigation would have to be addressed to the Government of India. And my own independent investigation indicates the Indian Government has not been investigating," Hershman declared.

Then, he continued, the commission letter contained a list of 15 questions — "mainly concerned with newspaper accounts about our investigation. The only few probing ones were fashioned in such a way that it appeared they were more concerned with Prime Minister Gandhi's public relations problems."

The commission letter concluded, according to Hershman with a threat: "Our failure to cooperate will draw adverse inferences."

This last really infuriated Hershman: "The commission has no jur-

isdiction here in the U.S., nor do they have any right under the Indian Constitution to threaten any non-Indian citizens."

Hershman summarized his disgust: "It has been my position from the beginning that the commission was constituted to help Mr Gandhi avoid dealing with the issues of corruption in his Government. We have a strong conviction that the commission is part of a cover-up that is being perpetuated, or forced, by Mr Gandhi. It goes back to the time when Bhure Lal and V. P. Singh were removed from the Finance Ministry when they were trying to crack down on corruption. We had stated in the past, and we continue to maintain, that we had collected information indicating large-scale corruption within Mr Gandhi's administration. Once it became known we were on the verge of substantiating that information, action was taken within the Gandhi administration to curtail the investigation — the removal of Bhure Lal and V. P. Singh, the 'forged' letter trying to blacken us, the illegal incarceration of Mr Gurumurthy (the Indian Express employee involved in expose stories) and, of course, the eventual termination of our contract. I have no intention of cooperating with a commission whose primary purpose is to draw away the public's attention from the real issue: corruption within the Government. This commission is simply on a witch hunt."

But despite his skepticism of the present Indian administration's interest in a clean-up, Fairfax's president, Hershman, said he still wants to wait before making public the findings of his investigation before his contract was terminated: "I want to see the report the commission issues first," he declared.

## Petition Against Appointment

Madras THE HINDU in English 29 Jul 87 p 9

[Text]

NEW DELHI, July 28.

The Supreme Court has dismissed at the admission stage a writ petition from Mr. Sushil Kumar (an advocate) challenging the validity of the appointment of the Thakkar Natarajan Commission to probe the circumstances relating to the hiring of Fairfax, a U.S. agency, in connection with unearthing violations of the Foreign Exchange Regulation Act by certain Indian business houses in their dealings in foreign countries. Mr. Justice M. P. Thakkar and Mr. Justice S. Natarajan are judges of the Supreme Court.

The Bench, consisting of Mr. Justice Ranganath Mishra and Mr. Justice M. M. Dutt, said it was not impressed that the pleas of the petitioner raised any arguable point. A main plea of the petitioner was that under the Constitution, judges of the Supreme Court could not be drawn to institutions outside the Supreme Court. It was also his contention that this case should be placed before a Constitution Bench.

**Orders in Swadeshi Polytex case:** The Supreme Court today by its interim orders, directed that the present board of directors of Swadeshi Polytex Limited would continue with one more director nominated by the Attorney-General of India, preferably from the Ministry of Textiles or any other organisation.

The Bench, consisting of Mr. Justice Sabyasachi Mukherjee and Mr. Justice G. L. Oza, also said no policy decision would be taken by the board without the consent of the nominated director. In case of any difficulty, liberty was given to the parties concerned to move the court for appropriate directions. The nominated director was appointed in place of a director who had already retired as a co-opted director.

The present three directors of the company would have retired in March, 1987 had the adjourned annual general meeting of the company taken place.

The Bench directed that the hearing of the main case concerning the claim of the National Textile Corporation (a public sector concern) to the ownership of about 34 per cent of the shares of the company, would take place in early September.

/9317

CSO: 4600/1914

## PAPERS REPORT DEVELOPMENTS IN BOFORS AFFAIR

## Correspondent's Review

MAdras THE HINDU in English 28 Jul 87 p 8

[Text]

THE defence deals scandals, and in particular, *l'affaire* Bofors, have had a major transforming impact on Indian politics. The Swedish National Radio Company's core allegations, made in April-May 1987, that staggering payoffs of the order of Rs. 50 crores (two categories of payoffs) were made in connection with the sale of 410 field howitzers by Bofors of Sweden to India have been substantiated, reducing to a shambles the stance of the Prime Minister and the Government of India that the allegations were "false, baseless and mischievous". Although the precise identities of the recipients remain to be discovered, what is known is sufficiently damaging to undermine the credibility of the Government's position. Indeed, pending the final stage of closing the case, the Indian people appear to have passed their judgment and the public image of the Government stands low.

As part of the process, the man who dragged the first defence scandal into the open—who publicised intelligence obtained from the Indian Ambassador in Bonn to the effect that there was an arrangement for a commission or payoff of seven per cent of the value of the German HDW submarines deal with India—has gained political strength and maintained high credibility. Mr. V. P. Singh, the former Finance and Defence Minister, has posed these issues sharply in his letter dated July 17 to Mr. Rajiv Gandhi conveying his offer to resign from the Congress (I) and Rajya Sabha. After his expulsion from the ruling party, he has posed the same questions more sharply.

**First step**

The two defence controversies share the features of whopping clandestine payoffs to third parties—Rs. 30 crores in the case of the submarine deal and about Rs. 50 crores

in the case of the Bofors deal. The major difference relates to the process by which information and evidence have been developed and publicised. In the case of the HDW-India deal, the first step towards exposure came along the official track, within a Government process of passing on intelligence. It was revealed to the public by a Defence Minister on his way out, who decided to make this act of publicisation the point at which he would break with the Government he served. After his departure, the Government, in effect, wound up the work of investigation that he demanded, and this seemed to speak eloquently on its attitude. As for the Bofors affair, the process of uncovering information lay beyond the realm and control of the Government of India, and the development of the damning evidence has been dramatic even if vital information on the precise identities of the recipients remains to be gained.

In a recent magazine interview, Mr. Rajiv Gandhi gave the public a detailed statement of his views on where, at present, the Bofors controversy stands. While a reader may complain about a disjointedness in the Prime Minister's exposition or may be disturbed by a shortfall in coherence when linking the detail of his argument, there can be no question that two claims emerge as representative of Mr. Rajiv Gandhi's present position, stated here and elsewhere, on the Bofors controversy. The first claim is that from the time the allegations surfaced in the Swedish Radio broadcast, the Government has gone after the truth, demonstrating that it had nothing to hide. The second claim is that the Government of India's stand has been vindicated by the report of Sweden's National Audit Bureau.

How credible or grounded in fact are these claims?

While it is true that the Government of India asked both Bofors and the Swedish Government for clarifications, it is simply not true that it kept any kind of objective mind open on the matter and pursued the facts without inhibition.

### The Irony

Mr. V. P. Singh resigned on April 12, four days before the Bofors story broke. The Government of India's hand had been forced by Mr. V. P. Singh's disclosures; and on April 16—there is some irony in the fact that it was on the same day that allegations of large scale payoffs to Swiss bank accounts in connection with the deal went on the air from Radio House in Stockholm—the then Minister of State in the Defence Ministry, Mr. Arun Singh, told Parliament "the procedures were brought into force in 1980 and regularly thereafter controls have been tightened—1980-81 and then 1985-86. The idea is to ensure that no supplier is ever left in doubt. As far as (the) Government of India is concerned we do not recognise the right even of a supplier to have an agent in relation to a commercial negotiation. The Minister even took the high ground: "This is unilateral. It is not necessarily legal. But it is a statement of policy. We do not let any supplier or agent remain in the dark that we unilaterally as buyers—because of the economic power we have as a buyer—do not accept the right of the supplier to have an agent in a commercial process." A few days later, in a parliamentary intervention relating to the Bofors deal, Mr. Arun Singh referred to the insidiousness of the middle man in arms deals, likening the arms trade to drug rackets.

With this as context the allegations from Stockholm should have added weight to the charge of payoffs to agents and third parties, it should have enhanced the presumption of guilt, and spurred the Government of India into immediate investigation of the charges. The credible step would have been to investigate the charges; the Government of India did nothing of the kind. Here are some features—a sample—of its responses that have taken the Government's credibility to a new low.

—The first official reaction was to deny everything and to pass judgment before investigation—the radio allegations were "false, baseless, and mischievous."

—Not only were the allegations condemned as false, the Government and the Congress Working Committee also announced that the allegations were part of an international conspiracy of destabilisation, that the attack on India's political system was parallel to the attack on its defence system.

—Mr. Rajiv Gandhi told the Lok Sabha on April 20 that the late Prime Minister of Sweden, Olof Palme, had gone into the matter of "middlemen" or "agents" in "great depth" and that Palme had "assured" him that there would be no middlemen.

What exactly did the Prime Minister say on this point on April 20? Here is the verbatim text: "The point came up because the issue was raised by the Swedish Prime Minister, who said that they were interested that

India buy their guns. I said that (1) The guns must be technically acceptable and superior to all the other weapons; (2) I said that the cost must be less than the competitors; and (3) I said that if you want any involvement at my level, you must guarantee me. That means I must get a firm answer from the Prime Minister of Sweden that no middlemen are involved. We have been taking this up... But when I was sought to be involved in a particular process and it is not only Prime Minister Olof Palme who has said this, Mrs. Thatcher, President Reagan, all sorts of Heads of State do raise the question of deals that their Governments are doing with our Government and I make it clear on every occasion that this is one of the conditions that there must be—that there can be—no middlemen or agents involved in such dealings. And I got confirmation back from Prime Minister Palme that there will be no middlemen or agents involved. It is on that basis that this exercise was done. We have to take somebody's word as truth and when a Prime Minister of a country assures us after having gone into in great depth with the company that there will be no middle agents involved, then we have to accept somebody's word."

### Official position

But what is the official position of the Swedish Government on Olof Palme's "assurance"? It has flatly denied that any assurance was given by, or on behalf of, the Swedish Government to the Government of India on the issue. In a statement made on April 17, Mr. Carl Johan Aberg, Under Secretary of State in the Department of Trade in the Swedish Ministry of Foreign Affairs, said that the company had declared in the autumn of 1985 to representatives of the Swedish Government that no middleman existed and this was "transmitted" by Palme in January 1986 to Mr. Rajiv Gandhi. He has since reiterated, in a radio interview, that the response from Bofors was received orally by the Swedish Government and passed on orally at every stage until it was conveyed personally by Palme to Mr. Rajiv Gandhi. At her press conference in Stockholm on April 29 which I attended, Mrs. Anita Gradin, Sweden's Minister for Foreign Trade, made clear the official position that Palme had merely conveyed assurances from Bofors to the Indian Prime Minister and that "there were no assurances on behalf of the Swedish Government."

—On April 20, Mr. Rajiv Gandhi told Parliament that the Swedish Radio story of April 16 emanated from Delhi. He said that as soon as allegations were put out by the radio, the Government of India "approached the radio company. They have told us that they got the information from some cor-

respondent in India. We traced that correspondent in India and he has refused to give us any documentation. He said he is not giving it to us." The reference was to the Swedish Radio's Hong Kong-based correspondent, Mr. Rolf Porseryd. This assertion was strongly refuted, almost as soon as it came out, by the head of the Swedish National Radio Company, Mr. Ove Joanson, who stressed that the radio reports were based on information obtained in Stockholm and that Mr. Porseryd had not taken part in attempts to uncover this information. Mr. Jan Mossander, staff reporter at Ekoredaktionen (the news department of the Swedish National Radio Company) said that the statement in the Indian Parliament to the effect that the story had emanated in Delhi was "completely false and complete nonsense."

#### Clarification

—On April 21, outlining Government actions on the Bofors controversy in the Rajya Sabha, Mr. Arun Singh offered the following clarification which suggested he was *not* referring to any "commitment" received from the Swedish Government after April 16, but was explaining something that had taken place before the contract was signed. "In our opinion, as a Government, we have received a commitment from both the company and from the Swedish Government that nothing has been paid. In fact, it was a commitment that nothing was payable, because the commitment was received before the contract was signed. So we received a commitment that nothing was payable. Now the first thing we have to ascertain is what we believe is a commitment, or is not a commitment?... because there is no point in having a commitment if the other chap does not believe in a commitment. So what do we do? What we have done is we have asked the Swedish Government whether they believed that there is a commitment, and the Swedish Government confirmed that in their belief there is such a commitment... We have, therefore... asked the Swedish Government, in the light of their concept and their agreement that there is a commitment that nothing is payable, to let us know what the Swedish Radio is basing its statement on, what information is available in Sweden, what they are in a position to find out and whether they would communicate those findings to us. The Swedish Government have agreed to this request... it is incumbent on all of us to wait and see whether there is anything in this."

—Speaking to Army commanders in New Delhi on April 27, the Prime Minister said (according to an official press release) that "Sweden had confirmed that there was no middleman and no money was paid in Swiss Bank (sic)." It has been confirmed that if the first part of the statement referred to the Swedish Prime Minister or the Swedish Government, no such confirmation had been given. Ms. Marita Ulvskot, press secretary to the Swedish Prime Minister, Mr. In-

gvar Carlsson, told me that no such confirmation had been given, and Mr. Carlsson himself repeated this to Ekoredaktionen. (From a subsequent statement by Mr. Rajiv Gandhi in Parliament, on April 28, it would appear that by "Sweden" he meant the late Olof Palme and that his observation to Army commanders had been misconstrued.) That leaves the second part of the statement, that "Sweden had confirmed that... no money had been paid in Swiss Bank." The evidence now available from the published sections of report of Sweden's National Audit Bureau shows that Bofors, in its letter handed over to the Ambassador of India in Stockholm on April 24, verified that payments had been made during the specified period, maintained that the Swedish Radio had come to a wrong conclusion on the nature of the payments and explained ambiguously that these were payments to a Swiss Company under a pre-existing contract. The National Audit Bureau report quotes Bofors as having said in the letter that those "payments that were made during the time in question... were in accordance with the contract for the reimbursement of consultant services within the areas of marketing and counter purchasing." (Bofors went on to say that the payments referred to by the radio were made to a Swiss company, that they were legal in relation to Swedish law, that they were not made to an Indian company or citizen and that they have "no connection with the winning of" the contract.)

#### Not 'baseless'

In its statement of April 17, the Government of India had said that "during the negotiations the Government had made it clear that the company should not pay any money to any person in connection with the contract." By April 24, the Government of India had in hand evidence that the allegations broadcast on April 16 were *not* "baseless", even if Bofors was resorting to ambiguity on what the payments were about.

The correct, above-board course of action would have been to make Bofors' response public (a demand raised in April itself in THE HINDU, and FRONTLINE) and assure a thorough investigation into the allegations—picking up, in fact, from what Mr. Arun Singh had said in the Rajya Sabha on April 21. Instead the Government did not make the letter of April 24 public, continued to maintain that the charges were "baseless", and recycled the story of the radio having said that its information emanated from Delhi. In addition, the head of the Government told the country's Army commanders—when so much was in question—that the Bofors deal had been "meticulously handled" and that "Sweden had confirmed that there was no middleman and no money was paid in Swiss Bank."

—On April 28 in the Rajya Sabha, much heat and some light was shed following the specific controversy that had been raised, inadvertently, by an inaccurate rendering at

THE HINDU of what exactly the Prime Minister had said to the Army commanders according to the press release. The mistake served, unwittingly, to bring out the fact that the Bofors matter did not figure seriously in a "courtesy call" telephonic conversation Mr. Rajiv Gandhi had with Mr. Carlsson immediately after the Swedish Radio allegations surfaced. In clarifying in the Rajya Sabha what he had said and meant, and how the newspaper report had been mistaken, Mr. Rajiv Gandhi asserted, among other things: "I would like to reconfirm that the Swedish Government has told us recently—about a week or ten days ago before the debate in the House—that there are no middlemen, as confirmed by Mr. Olof Palme to me, and that Bofors has reconfirmed this to them." I read this out to Mrs. Gradin at her press conference in Stockholm on April 29: she listened carefully and then, without hesitation, flatly denied that the Swedish Government had done so. (It did not help to clarify matters that a few sentences later, the Prime Minister had also said in the Rajya Sabha: "I would like to reiterate... that so far we have got no specific information from the Swedish Government... We must give them a chance to give an answer and a response.")

#### "Vindication"?

Mr. Rajiv Gandhi's case on "vindication" rests on the rather hollow proposition that "to a great extent", the Swedish Audit Bureau Report commissioned by the Swedish Government had "vindicated what we had said. We had said that no middlemen were to be kept and it has been confirmed that there were no middlemen at the point of signing the contract." As has been pointed out, this "vindication" of the Government of India's position simultaneously vindicates the good faith of Bofors in honouring the contract. (Indeed, it has been made clear that there is no question of the Government of India attempting to get out of the contract on the grounds that its terms have not been honoured.)

In recent weeks, Bofors and its parent company Nobel Industries have been under considerable pressure from representatives of the Swedish Government. In a June 12 interview, Mrs. Anita Gradin has reportedly called on representatives of the Nobel Industries management to "tell how they worked in the India business." In a sharply worded

interview with the Swedish National Radio Company, the Swedish Foreign Minister, Mr. Sten Andersson, was reported to have said that the reputation of the entire Swedish industry and even that of the country could be at stake if the company did not act. And Prime Minister Carlsson in a statement on June 19 said, among other things, that "it is quite clear that Bofors should give the Indian Government the names and information it wants." With all this, the only person who has appeared inclined, in recent times, to let the company off the hook and give it a clean chit is the Prime Minister of India.

#### P.M.'s assertion

Despite the evidence that Rs. 50 crores was paid to a number of recipients well after the contract was signed in March 1986, the Prime Minister has asserted in a magazine interview that "there were no middlemen when we signed the contract." He even speculated about the nature of the "winding up" expenses: "Let me tell you what I feel has happened. Whoever signed the agent's contract in 1977 must have signed for some absurdly high figure. And that is why the winding up has cost two per cent." For Mr. Rajiv Gandhi, the matter of these huge payments did not seem such a big deal. It was mainly a matter of the arrangement pushing up the price of the transaction somewhat: "We feel that we could have a two per cent to three per cent lower rate. The gun is a good weapon. There is no dispute about that."

This stance of "vindication" is consistent with the line of letting Mr. Win Chadha, the former Bofors agent, slip away despite the heat of the inquiry being close to him at every stage since mid-April. It is quite consistent with the decision to turn down the Bofors management's offer to send a high-level delegation to New Delhi to discuss the question of information with India—a decision that is reported to be the immediate factor behind Mr. Arun Singh's resignation under unhappy circumstances. The problem is that the Government's stance is hopelessly inconsistent with the facts of the case as a discerning public knows and understands them to be. That is why the Government's credibility on the Bofors controversy stands so low at this point, as the monsoon session of Parliament commences.



Calcutta THE TELEGRAPH in English 4 Aug 87 p 7

[Text]

*The following is the text of the statement made by Mr K.C. Pant, defence minister, in the Lok Sabha on Monday regarding the appointment of a joint committee to inquire into issues arising from the report of the Swedish National Audit Bureau on the Bofors contract.*

Mr Speaker, Sir,

Hon'ble members are aware of the discussions which took place in this House, during the preceding session, in regard to the allegations of payment of commission in the purchase of 155 mm guns from Bofors of Sweden. In view of the developments in the intervening period it appears useful to recount the sequence of events, particularly those in the recent past.

As the hon'ble members will recall, the allegations of improper payments made by Bofors, based on the broadcast by the Swedish National Radio Company, were disclosed in our press on April 17, 1987. As all precautions had been taken to ensure against the involvement of middlemen in the negotiations with Bofors and assurances also obtained from the latter, government denied these allegations the same day in the press. Simultaneously, we conveyed to Parliament the government's resolve to secure the full facts in regard to the allegations. Even though April 17 to 20, 1987 were Easter holidays in Sweden, every conceivable effort was made to contact the highest echelons in the Swedish government during their holiday period. Based on the information gathered, I had made a statement in this hon'ble House on the first available opportunity, i.e. on Monday the 20th April, 1987. In the statement made in this

House, as well as in the Rajya Sabha, we had explained the measures taken to prevent the involvement of middlemen in the Bofors negotiations. In pursuance of these statements, government has been making vigorous efforts to uncover the whole truth.

On April 20, 1987, Shri Oza, our ambassador in Stockholm, met the representatives of Bofors and sought full clarifications about the allegations. He pursued similar inquiries with the Swedish foreign office, on April 21, 1987 and, inter alia, requested them also to use their good offices with Bofors to persuade Bofors to convey us the entire details sought by us. On April 22, 1987, he personally met the acting chief of the Swedish National Radio Company and tried to secure their co-operation in obtaining any evidence which was in the possession of the company. On the same day, he again pressed Bofors to furnish complete information in the matter. It will thus be noticed that intense and immediate efforts were made to obtain the fullest information about these allegations from all possible quarters.

It was as a result of the government of India's insistence that the Swedish government decided to refer the entire matter to the Swedish National Audit Bureau for an audit review of certain transactions made by the Bofors in connection with our contract. This decision of the Swedish government was immediately conveyed by me to this hon'ble House through my statement on April 29, 1987.

A copy of the report of the Swedish National Audit Bureau was received by the government of India, through the Swedish embassy in New Delhi, on June 4, 1987. This

report was considered by the government on the same day, and also released for publication to the media. It was observed that, before forwarding the Swedish National Audit Bureau report to us, the Swedish government had excised certain crucial portions of the report.

It would perhaps be best if, for the benefit of the House, I quote from the report itself:

"The observations of the National Audit Bureau are in summary as follows:

- That an agreement exists between AB Bofors and...concerning the settlement of commission subsequently to the FH 77 deal and
- That considerable amounts have been paid subsequently to, among others, AB Bofors' previous agents in India.

The national audit bureau hereby submits this report and the material on which it is based to the government and, by doing so, has completed what it was charged to do."

The Swedish National Audit Bureau also examined the representatives of Bofors and the picture conveyed to the Bureau by these representatives has been summarised in the report in the following words:

- "That there are no agreements on commission;
- That local contacts have been used but that these had been wound up before the negotiations were concluded;
- That the costs of this assistance ("winding up costs") amounted to two-three per cent of the order sum, that is Sek 170-250 million and that the final payment was made during 1986.

Payments of commission specified in the media (the Swedish Radio Company, Eko-Redaktionen, 16 April 1987). It was reportedly a matter of



"three part-payments made in the middle of November 1986 of a total Sek 29.5 million, and a fourth payment of Sek 2.5 million made in December."

Two facts emerge from a careful study of the report of the Swedish National Audit Bureau. These are, firstly, that sizeable payments were made by Bofors and, secondly, that these payments were made in 1986. It would also be seen that the most crucial portion of the report, which contains particulars of the recipients of the amounts paid by Bofors, have not been disclosed to us. The reasons for withholding this information are contained in the forwarding note of the Swedish government which I quote:

"The details in the report are essentially based on the information that the National Audit Bureau has obtained from the Bank of Sweden. The Bank of Sweden has made this information available to the Audit on condition that it be classified for secrecy. These parts of the report may therefore not be made public."

Immediately on its receipt, the report was discussed with the leaders of Opposition parties. Further, the government decided to request the hon'ble Speaker of this House as well as the Chairman of the Rajya Sabha to set up a joint parliamentary committee to enquire into and establish the identities of the persons who received the payments. The minister for parliamentary affairs addressed the hon'ble Speaker and the hon'ble Chairman accordingly on June 11, 1987.

Government did not allow the matter to rest there. The Swedish government was addressed on June 17, 1987, through the Swedish embassy in New Delhi, to urgently furnish us with complete information in regard to the excised portion of the report of the Swedish National Audit Bureau, after such further investigation as may appear necessary. Our ambassador in Sweden also pursued this matter with Mr Aberg in the Swedish foreign office on June 22, 1987.

We also addressed Bofors on June 16, 1987. Observing that they had violated their assurances to the government of India, conveyed both directly as well as through the late Mr Palmé, we called upon Bofors to furnish us, within a fortnight, full information in respect of:

(I) The precise amounts which have been paid and the amounts which are due to be paid by Bofors by way of commission, secret payments, etc. in connection with the Indian contracts,

(II) The recipients of such amounts, whether they be persons or companies and in the case of latter, their proprietors/presidents/directors, and place of incorporation,

(III) The services rendered by such persons/companies with reference to which such amounts have been paid,

(IV) Copies of contracts, agreements and correspondence between Bofors and such recipients, and

(V) All other facts, circumstances and details relating to these transactions, in their possession.

Bofors' reply, received by the ministry of defence, on July 3, 1987, denied the payment of bribes or the use of middlemen to win the contract. It also asserted that the company were forced to terminate long-standing international co-operations and to re-organise their marketing organisation to fulfil government of India's requirement that no middlemen shall be involved. However, to terminate their earlier arrangements, winding up costs were paid in accordance with their normal practice. Bofors have further stated that these payments have not influenced the price of the contract.

It would be seen that while the questions raised in our letter of June 16, 1987 were specific, the Bofors' reply thereto is general. It does not disclose the crucial information about the recipients of the payments and the services rendered by them. Mr Bredin, the vice-president of the company, who delivered the Bofors' reply, on July 3, 1987, reiterated the need of his employers to

maintain commercial confidentiality. When questioned, he was unable to give a definite indication whether his superiors would be willing to disclose the relevant information needed by the government of India, during a personal dialogue. The pros and cons of such a dialogue at a level higher than that of Mr Bredin were carefully considered by the government. Keeping in view the fact that a parliamentary committee was proposed to be set to investigate the matter, it was decided that it would be useful and appropriate to require of Bofors to furnish through a written reply the entire information already asked for. Bofors were, therefore, addressed afresh on July 16, 1987, and once again asked to furnish specific replies to the questions already put to them, earlier. Bofors have since sent an interim reply requesting for more time to be able to carefully study our letter and furnish answers.

As regards the terms of reference of the joint parliamentary committee, while formulating the approach contained in the motion before us, we have duly considered the suggestions made in the matter by the leaders of the Opposition parties to the Prime Minister. There are two variations of substance in the terms of reference of the joint parliamentary committee, as proposed by the Opposition and those contained in the motion.

The first difference relates to the Opposition's desire that all aspects of the policy, procedures and decisions in regard to the defence procurements of equipment, stores and ancillaries, since January 1980, be examined by the joint parliamentary committee. In other words, the suggestion is to review all defence contracts concluded in the past seven years and more. In this context, it is most essential for the hon'ble members, regardless of political affiliations, to appreciate that effective defence preparedness inevitably entails the modernisation of the defence forces. Modernisation is a dynamic process and, in turn, requires the timely finalisation of purchase con-

tracts to ensure deliveries within envisaged schedules. This was true not only in 1980, but earlier as well, for instance when the Jaguars were contracted, or in 1979 when the requirement for the 155mm weapon system was first recognised, and will continue to be so in the future also. Any arbitrary selection of date, whether it be 1980 or 1977 is, therefore, liable to be politically suspect. A roving inquiry will have an adverse impact on the morale of the defence forces and thereby endanger defence preparedness. This cannot be allowed to happen as the preservation of our integrity is a national imperative of the highest order.

The second difference relates to the wish of the leaders of the Opposition that the joint parliamentary committee should also examine the allegation in regard to the payment of commission in the purchase of submarines from West Germany. In this context, it seems necessary to reiterate, what has been stated earlier in this House, that as per the directions of the then raksha mantri, Shri V.P. Singh, the ministry of finance was tasked to have the allegations inquired into by the directorate of enforcement and the Central Board of Direct Taxes. Besides, the Economic Intelligence Bureau was also asked to carry out a systematic study of the modus operandi of agents, Indian and foreign. Subsequently, the government

of the Federal Republic of Germany were addressed, on June 12, 1987, to supply complete details regarding the alleged payments of commission. Also, on June 27, 1987, HDW of FRG were called upon to furnish full information regarding the agents involved, commissions paid, for what services, etc.

While the investigations by the various concerned agencies of the ministry of finance are still under way, HDW have, through their reply received by the ministry of defence on July 21, 1987, stated that the information conveyed to the government of India is incorrect and possibly that the negotiations in respect of the contract with the government of India were held directly between the Indian government and the HDW and West German government without any Indian agent being engaged. It is to be observed that the contract for the supply of two submarines and two material packages already stands substantially executed, the two submarines having joined the Indian Navy on September 22 and November 20, 1986. The other two submarines are under construction in Mazagon dock.

It requires to be emphasised that in the case of Bofors, as soon as it was established that a prima facie case exists, government immediately decided to refer the matter to a parliamentary probe. In the case of the submarines, however, the investigations are still going on. No tangible gain would, therefore, accrue by entrusting the allegation in this

case also to the joint parliamentary committee. When the investigations are completed we will naturally inform Parliament.

I now turn briefly to the motion before the House. It would be observed that the terms of reference contained in the motion have the merit of concentrating on the issues emerging from the report of the Swedish National Audit Bureau and saving the committee from an unrewarding and unfocussed exercise. None of the issues vital to the investigation has been left out of the terms of reference.

Let me also say that while the proposed joint parliamentary committee shall function within the time-honoured rules of business governing the functioning of parliamentary committees and the directions that the hon'ble Speaker may give, from time to time, for regulating the procedure and organisation of work of the committee, government shall provide full support and assistance in regard to all matters relevant.

In conclusion, I would like to point out that this joint parliamentary committee would perhaps be the first investigative committee of its kind in our parliamentary history. Its establishment reflects the unanimous wish of Parliament and of all political parties that the full facts of the payments of Bofors need to be ascertained and placed before the country. I sincerely hope, therefore, that this motion would be adopted unanimously.

## Government Motion on Panel

Madras THE HINDU in English 30 Jul 87 p 7

[Text]

NEW DELHI, July 29.

Amid vociferous Opposition protest, the Defence Minister, Mr. K. C. Pant, tabled in the Lok Sabha today, the Government motion for constituting a parliamentary committee to probe the Bofors gun deal.

The proposed committee will have 21 members, 14 from the Lok Sabha and seven from the Rajya Sabha. They are to be elected through the system of proportional representation.

The committee is to give its report by the last day of the first week of the winter session of Parliament. It will, among other things, inquire into and establish the identity of the persons or agencies who received various payments from the Swedish firm, Bofors, in the howitzer gun deal.

The following is the text of the Government motion:

"That a Joint Committee of both the Houses consisting of 21 members, 14 from the Lok Sabha and seven from the Rajya Sabha, be elected in accordance with the system of proportional representation by means of a single transferable vote and the voting at such election shall be by secret ballot, to enquire into the following issues arising from the report of the Swedish National Audit Bureau on the Bofors contract:

(i) to inquire into and establish the identity of the

persons/agencies/firms who received payments of the following amounts:

- (a) SEK 170-250 million,
- (b) SEK 29.5 million, and
- (c) SEK 2.5 million,

from Messrs Bofors in connection with their contract to supply 155 mm howitzer guns and associated equipment to India (as referred to in the report of the Swedish National Audit Bureau, received by the Government of India on June 4, 1987).

(ii) to inquire into and determine the Indian laws, rules and regulations which were violated by the concerned persons/agencies/firms by receiving the payments referred to in (i) above.

(iii) to make suitable recommendations, based on the findings on (i) and (ii) above.

2. That the Joint Committee shall make a report to this House by the last day of the first week of the next session of Parliament.

3. That the rules of procedure of this House relating to Parliamentary committees shall apply with such variations and modifications as the Speaker may make.

4. That this House recommends to the Rajya Sabha that the Rajya Sabha do join the committee and communicate to this House the names of the members elected from amongst the members of the Rajya Sabha to the committee as mentioned above".—UNH

## Motion as Amended

Madras THE HINDU in English 7 Aug 87 p 6

[Text]

NEW DELHI, Aug. 6.

The following is the text of the amendment to the Bofors' motion by the Defence Minister, Mr. K. C. Pant, in the Lok Sabha today:

"I give notice of my intention to move the following amendment to the motion moved by me regarding the appointment of a Joint Parliamentary Committee on Bofors.

"That a Joint Committee of both the Houses consisting of 30 members, 20 from the Lok Sabha and 10 from the Rajya Sabha, be elected on the basis of proportional representation to enquire into the issues arising from the Report of the Swedish National Audit Bureau relating to the Bofors' contract to supply 155 mm Howitzer guns to India.

2. The Committee shall enquire into the following matters:

(i) Whether the procedures laid down for the acquisition of weapons and systems were adhered to in the purchase of the Bofors' gun;

(ii) to ascertain the identity of the persons who received, and the purpose for which they received, payments of the following amounts:

- (a) SEK 170 - 250 million
- (b) SEK 29.5 million

(c) SEK 2.5 million

from M/s. Bofors (as referred to in the Report of the Swedish National Audit Bureau, received by the Government of India on June 4, 1987);

(iii) arising out of the enquiry, if there is *prima facie* evidence that M/s. Bofors have in addition to payments mentioned in (ii) above, made any other payments for securing the Indian contracts, the identity of the persons who received such payments shall be ascertained;

(iv) to determine if any Indian laws/rules/regulations have been violated either by M/s. Bofors or by persons as indicated in (ii) and (iii) above.

3. That the Speaker shall nominate one of the Members of the Committee to be its Chairman.

4. That the quorum of the Committee shall be one third of the total strength of the Committee.

5. That the Comptroller and Auditor General of India and the Attorney General of India will provide assistance to the Committee, as necessary.

6. That the investigating agencies of the Government of India shall render such assistance to the Committee as may be required by it for the purposes of its enquiry.

7. The Committee shall have the power to ask for and receive evidence, oral or documentary, from foreign nationals or agencies provided that if any ques-

tion arises whether the evidence of a person or the production of a document is relevant for the purposes of the Committee, the question shall be referred to the Speaker whose decision shall be final.

8. If the Committee wish to nominate a sub-Committee to visit a foreign country for specified purposes connected with the enquiry the matter shall be referred to the Speaker who may take such decisions and give such directions as he thinks fit, provided that such sub-Committee shall not hold sittings, record evidence or take decisions in a foreign country.

9. That in other respects the Rules of Procedure of this House relating to Parliamentary Committees shall apply with such variations and modifications as the Speaker may make.

10. That the Committee shall make a report to this House by the last day of the first week of the next session of Parliament.

11. That this House recommends to the Rajya Sabha that the Rajya Sabha do join the Committee and indicate to this House the names of the Members from amongst the Members of the Rajya Sabha to be on the Committee.

### Trouble in Rajya Sabha

Bombay THE TIMES OF INDIA in English 13 Aug 87 p 1

[Text]

NEW DELHI, August 12.

**P**ARLIAMENT today approved a motion for setting up a joint parliamentary committee to inquire into the alleged kickbacks in the Bofors gun deal, with the Rajya Sabha adopting it amidst an opposition walk-out.

Neither an impassioned appeal from the minister of state for defence, Mr Shivraj Patil, nor the reading out of the latest letter from Bofors by the defence minister, Mr K. C. Pant, succeeded in persuading the opposition to join in the search for the truth.

Mr Patil sought to highlight how "powerful" the committee would be with its members free to frame its rules and procedures and how erroneous it was for the opposition to dub it "weak and useless".

Mr Pant stated that the communication from Bofors should "minimise the psychological hurdles in the minds of the opposition."

"Even now, if the opposition stays away, it will be running away from the issues," he remarked.

But the opposition did not budge. It remained firm in its decision to boycott the committee, ignoring Mr Patil's fervent pleading and the Bofors letter which said that termination costs were

not paid to any Indian citizen, Indian company, any member of the Indian government or any other government official, and that no "bribes" had been paid or "middlemen" used in winning the contract.

The three-day debate, often stormy in view of the "general atmosphere of mistrust among political parties" as was noted by Mr A. B. Vajpayee (BJP) and Mr Pant, thus ended up leaving unanswered the question of how the government would now go about constituting the committee in a situation where the opposition was not willing to join the committee.

A highlight of the debate today was the admission by the government in Parliament of how close it had come to knowing the names of the recipients of the termination costs in early July.

In reply to an opposition query regarding the visit of Mr Bradin, vice-president of the Bofors company of Sweden, to India on July 3 it was stated that he was willing to orally give these names. But the government did not accept it. It wanted the information in writing, in a form that could be presented in Parliament.

"You would have asked for the same thing if you had been in our place," Mr Pant told the opposition. Urging that the "Bradin controversy must end now," the defence minister pointed out that "the Bofors' letter proves that they do not want to pass on this information

to us". He also sought to dispel the opposition notion that Bofors had already given this information to the government.

In reply to a query from Gen. J. S. Aurora (Akali Dal), Mr Pant stated that Bofors had informed the government that they had not bought and did not intend to buy ammunition for its Howitzer guns from any Italian supplier.

UNI adds: Mr P. Upendra's (TDP) remark that the latter was 'contrived' evoked loud protests from the treasury benches.

The TDP member, however, clarified that he was not accusing Mr Pant of contriving the communication but that it was the handiwork of those who had received the fat kickbacks.

Though the letter was not fully to the satisfaction of the government, Mr Pant said that the Bofors promise of co-operation with the proposed parliamentary committee was a 'good sign'.

Replying to a clarification sought by Mr J. S. Aurora (Akali Dal), the minister said Bofors had made it clear that the ammunition to be supplied by them would not be from any Italian firm.

Earlier, minister of state for defence, Mr Shivraj Patil, replied to the three-day debate on the subject during which he appealed to the opposition to give up their decision to boycott the committee since he had accepted almost all their demands.

The proposed 30-member committee, comprising members from both houses, will submit its report by the first week of the next session of Parliament.

Mr Dipen Ghosh (CPM), who led the opposition members out of the house, declared that they stuck to their stand of boycotting the committee in view of the government's refusal to accept their plea for widening its terms of reference.

The walk-out came at the fag end of the three-day discussion during which the opposition had pleaded in vain for extending the scope of the committee to enable it to inquire into similar allegations regarding the purchase of West German submarines.

It also insisted that the committee should have the power to summon the ministers and that its chairmanship should go to an opposition leader.

Mr Pant said that the government had gone to a great length to accommodate the opposition's views.

"The trouble is that the suspicion has gone deep into your (opposition's) soul," Mr Pant said adding, "We have nothing to hide. In fact, we are setting up an inquiry against ourselves".

However, the opposition was so firm about the boycott of the probe committee that even the letter from the Bofors failed to make them reconsider their stand.

In reply to Mr Dipen Ghosh, Mr Pant said that the Bofors communication was in reply to the government's request made on July 16 for full information.

Earlier, the house witnessed noisy scenes when Mr Satyapal Malik, a dissident Congress MP, insisted on having his say on the subject after the vice-chairman, Mrs Pratibha Patil, had already called Mr Shivraj Patil to reply to the debate.

The proceedings of the house got disrupted for about 20 minutes during which the opposition leaders pleaded with the chair to give a chance to Mr Malik.

The vice-chairman, however, rejected the plea since the Congress, of which Mr Malik is still a member, had not sponsored his name. Moreover, there was no time left for the house to allow any other member to speak.

Mr Patil, in his 100-minute speech, appealed to the opposition to end their boycott of the committee as the government had already conceded almost all their suggestions to improve its functioning.

Referring to the opposition demand for waiving the Official Secrets Act, he said this was not possible under the law.

However, regarding their plea that the committee should have the powers to summon the ministers, he said the provision was that they could appear before it, if they so desired.

#### Letter from Bofors

Calcutta THE TELEGRAPH in English 13 Aug 87 p 1

[Text]

New Delhi, Aug. 12: The Swedish firm, AB Bofors, in a letter to the Government of India, has denied giving any payment whatsoever to any Indian citizen, government official or any Indian company in lieu of their Rs 1700-crore gun deal.

Stating this in the Rajya Sabha today, the defence minister, Mr K.C. Pant, read out the letter the company wrote to the Government of India. The minister said: "When I was replying to the debate in the other House, I had mentioned that we have received an interim reply from Bofors. They have asked for some more time and a final reply would be sent by them. We have received this reply and I feel that the government

is duty-bound to give this information to the House. That is why the government gave this information. If you want, I have no objection in reading the letter."

It says: "Ministry of Defence, etc. etc.

Reference your letter, etc. etc. During spring 1987, a question was raised whether Bofors had used middlemen, etc, to win the FH-77B contract. We have, in response to these allegations, in letters to the Government of India and in public through the news media, repeatedly and firmly stated that the negotiations with India were carried out directly by Bofors. We emphasise that Bofors has not paid or con-

spired to pay any bribes or used any middlemen to win the contract. In order not to risk to come into conflict with the request of the Government of India not to use any middlemen, Bofors further terminated international consultancy agreement signed long before the commencement of FH-77B contract negotiations. These agreements are thus not related to winning of the FH-77B contract. Secondly, the termination costs would have to be paid also if Bofors had not been awarded the contract. Further, the total amount of the termination cost is not related to the contract value.

"As Bofors has conducted their business for over hundred years in conformity with certain basic principles and practices, amongst which commercial secrecy has a very important place, we regret our inability to deviate from these basic principles and practices and sincerely hope that you will appreciate and accept the reasons for our inability.

"We would, however, like to restate that the termination costs were not paid to any Indian citizen or Indian company, consequently including any member of the Indian Gov-

ernment and any other government official. We regret the inconvenience to those parties who have falsely been alleged in the news media. We once again want to underline that Bofors won the contract in direct international competition and as a result of direct negotiations with the Government of India without involving any middlemen, etc. We further confirm that the said termination costs had no effect or influence on the total value of the contract. It is important to stress the fact that India now is treated by Bofors as most favoured customer which means that the final prices in the contract are lower than comparable prices offered to any other customers."

Mr K C Pant at this juncture told Opposition that: "What comes next is perhaps very important from the point of view of the functioning of the parliamentary committee. So, I would request you to please pay attention to it.

The Bofors letter followed:

"We have learnt that a Parliamentary committee is in the process of being appointed and we will, of course, extend our cooperation to the committee."

/9317

CSO: 4600/1911

## INDIAN EMBASSY REPORTEDLY ORGANIZED 'PENTHOUSE' INTERVIEW

Calcutta THE STATESMAN in English 5 Aug 87 p 9

[Text]

NEW DELHI, Aug. 4.—Contrary to the impression sought to be conveyed by official sources, the controversial Penthouse interview, given by Mr Rajiv Gandhi, was organized by the Indian Embassy itself. The preamble to the interview puts it bluntly: "In a recent interview with this reporter (Mr Russel Warren Howe), that appeared in Penthouse, Dr Henry Kissinger agreed that India was 'about a generation ahead of China in science and technology'. This exchange led to a telephone call from the Indian Embassy in Washington, expressing satisfaction at the recognition of this point and suggesting that the matter be pursued for Penthouse readers by an interview with the Prime Minister himself".

So much for all the hullabaloo raised about taking "legal" action against Penthouse, and everyone here being "unaware" that the interview was going to be printed in Penthouse which is known for its nude pictures.

A copy of the August issue of the magazine, which this reporter was able to go through, shows that the interview itself is serious and lengthy. Mr Gandhi, for instance, impressed on Mr Howe the fact that it is erroneous to suppose, as many Americans seem to do, that India is wholly dependent on the Soviet Union for its arms. In fact, the most sophisticated arms that India gets are from European countries, he says. He also insists that India has a mind of its own. It is no more a mouthpiece of the Soviet Union than Beijing is.

There is also his view that it would be far healthier for India to have a strong Opposition than 20 odd, parties scattered around. He firmly believes that democracy is here to stay, that no particular economic model, the Soviet Ame-

rican or Chinese, could be duplicated here and that India has to fashion its own economic model.

Mr Gandhi has also expressed himself against the division of the country along linguistic lines. He believes what his grandfather and the British did was wrong.

The interview says: "On the campaign stump, he appears to identify with the almost changeless rural India, where human existences are often as nasty and brutish as they are short. In private, his soft features project an image of shyness as he sits in a spotless dhoti and speaks gently with a patrician economy of gesture. He is the portrait of the young manager, the yuppie whose friends from prep school and airline days are more likely to be in business, medicine or law than in Government service. The son and grandson of Prime Ministers, he seems most at ease when talking about his country's amorphous, challenging economy".

## EXCERPTS

The following are excerpts on some important subjects dealt in the interview, spread over six pages, with a picture of Mr Gandhi, with pouting lips all this packed almost at the end of several pages of nudes and intimate poses by couples:

Penthouse: How much of a nuisance is the post-war division between the victors that we call the cold war? How do you see the future of India's relations with the superpowers for as long as the cold war continues?

Gandhi: It is a terrible nuisance in every way, mostly because of induced tensions. In our own area, Pakistan is, from our point of view, the most visible tool of cold-war tension.

We have a situation there where sophisticated weapons in large numbers being brought are totally ignored. It is very clear to the whole world that this is a nuclear-weapon programme, yet it is still being ignored.

Their whole nuclear programme is based on to put it crudely—stolen technology. So the whole programme could have been prevented, but it has not, and the only reason we can see that it has not been prevented is because of cold war power interests.

Penthouse: The U.S. plays Pakistan and China off against the Soviet Union. Doesn't India, in a sense, play the Soviet Union off against China and Pakistan?

Gandhi: (Laughing) Well, we try not to play anyone off against anyone.

Penthouse: If the cold war did not exist, would your relations with China and Pakistan be easier or more difficult?

Gandhi: I think they would be very different. With Pakistan I think there would be no problem at all. With China, it's very difficult to say. (The Sino-Indian war of 1962) was a very major turning point in our relations. How much 1962 relates to the cold war is difficult to say. Perhaps '62 would have happened with or without the cold war.

Penthouse: China captured a piece of your territory with the approval of its ally of the time, the Soviet Union, while President Kennedy supported India. Was this an issue of territorial conflict more than part of the cold war?

Gandhi: Yes. Those problems are not necessarily linked to the international power struggle.

On relations with the USA, Mr Gandhi says that the past two



years, ever since his meeting with Mr Reagan in 1985, the effort has been to get to know each other better. Though there have not been any defence purchases, there has been a lot of high-tech. exchange, "which has been very good". Asked if this included defence or "dual use" technology, Mr Gandhi says:

"Well, defence-related, perhaps. Some (new) raw materials, some components which could go into defence. But no real hardware. Defence is going to be the area which it will take some time for us to get into with the USA because on earlier occasions we have had the feeling that the U.S. has not stood by us at times of tension, and this has caused problems."

"I think it is also necessary for us to clarify that our defence is not totally based on Soviet equipment—which is very much the view in the U.S., our really high-tech stuff is mostly from western Europe—France, Great Britain, Switzerland, Sweden, West Germany, Italy, most of our really sophisticated (defence) equipment come from those countries."

#### SELF-SUFFICIENCY

Penthouse: As potentially the largest nation in the world, aren't you also going for a greater level of self-sufficiency, of independence from the superpowers and Europe?

Gandhi: A very high level of self-sufficiency and of course it will take time to do that. In the really frontline areas, we are not able to get the equipment either from the Soviets or from Europe and we have to develop our own—and we are developing our own.

On relations with China, Mr Howe quotes Dr Kissinger's view about India being far more advanced than China and asks if Mr Gandhi sees any hope of co-operation between China and India. To which Mr Gandhi's answer is: "It's very difficult to say at the moment, because the border problem vitiates all our talks".

Penthouse: Are the Chinese still involved with supporting secessionist and anti-Government

movements in Assam and elsewhere?

Gandhi: It's very difficult to say how strong the links are, and it's equally difficult to say there aren't any. (Staff side laughs loudly at this evasion). Okay, there are links, there.

Penthouse: Haven't you also said that Nepal is supporting factionalism in the North-East?

Gandhi: I didn't make that statement personally. We have some indications, but we are not sure whether the Government of Nepal is involved. But whether that comes from sources other than the Government — let's say we have nothing to link the Nepalese Government to it.

Penthouse: Pakistan definitely plays a role in the Muslim-Hindu faction-fighting in Gujarat and in the Sikh mayhem in the Punjab. If they would give up their role in internal Indian politics in those areas, could friction between India and Pakistan be reduced?

Gandhi: Well, it would be easier to have very good relations with them. Now (the disputed border area of) Kashmir is a problem, but we don't think Kashmir itself is the source of the problem any longer. It's only part of the problem. The source of the problem is the strategic interest of the various countries in the zone. If that (element) could be removed, I have no doubt that we could solve our problem.

Affirming that India is firmly rooted in democracy and would not become a dictatorship, he also said there would not be any secessions from India.

Penthouse: But there'll be more States within India, like the one you just created in Mizoram.

Gandhi: I am totally against them. My feeling is that we made a big mistake in 1947 with (creating States based on) linguistic divisions.

Now, of course, it's easy for me to talk in 1987. Perhaps, if we had not had linguistic divisions at the time of Independence, things

would have been quite different and much worse. But today "my feeling is that we should have had geographic boundaries, or perhaps just longitude-latitude lines."

Speaking confidently that the economy was poised for take-off, he speaks admiringly of Japan, South Korea and the Soviet Union but says in answer to a question if he couldn't establish such discipline which he laments is lacking among the people in India) by law to enforce free enterprise, Mr Gandhi says:

"Well, we have been doing it by law. For instance, we have been licensing car manufacturers and it hasn't worked. And now we are going to have to give them an open market and let some of them kill each other off, till a few are left standing. Instead of the Government killing them (by refusing licences.)."

#### CORRUPTION

The interview ends with the following questions and answers.

Penthouse: At the Congress party's centenary recently, you delivered a somewhat spirited attack on its abuses and corruption. Could these abuses be due to the fact that apart from a brief interregnum, your party has been in power for half a century?

Gandhi: Well, vested interests develop, so there's an interest there. I think it would be very necessary and good for the country to have a proper Opposition party, as opposed to 23 Opposition parties with no serious standing in the House.

Penthouse: Are the 'new rich' a problem here — in regards to the widening gap between the business elite and the poor mass of Indians?

Gandhi: Not really, because the numbers of the relatively rich are getting larger all the time. It only affects society in the sense that there is a lot of conspicuous consumption — which we are trying to curtail but it's difficult. This is, alas, a democracy.

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CSO: 4600/1903



## OUTCOME, AIMS OF CPI NATIONAL COUNCIL MEETING TOLD

Rao Briefs Newsmen

Bombay THE TIMES OF INDIA in English 2 Aug 87 p 1

[Text]

NEW DELHI, August 1.

WHILE campaigning for a mid-term poll on the ground that the present government had lost its credibility, the CPI will try vigorously to mobilise support for an independent left-democratic programme.

The programme would be based on anti-imperialism, secularism, democracy, and economic measures to meet the "urgent minimum demands of the people."

Briefing newsmen today on the four-day deliberations of the party national council which concluded on July 29, Mr C. Rajeswara Rao, the general secretary, said his party would first consult the left parties to chalk out a minimum programme for agitation.

They would then see if other "bourgeois" parties participate in these agitations built around issues of fighting communalism, reversing the "retrograde" economic policies of the government and working for a progressive foreign policy.

The emphasis was on an independent interventionist stance of left and democratic forces, the political resolution indicated. But it recognised that a left and democratic alternative, which alone can take the country forward, had not yet emerged.

In its deliberations, the national council gave high priority to the question of drought, and called for evolving a permanent solution to drought in the country. It called on party units to build a broad-based movement for adequate relief.

The political resolution described as "positive" some of the points being raised by Mr V. P. Singh, such as unearthing of black money, flight of capital, recognition of unions through secret ballot, drought relief and remunerative prices for agricultural produce. But it noted that he was yet to come out with an alternative positive economic policy "which negates the retrograde economic policies of the Rajiv Gandhi government which he had been carrying out as finance minister."

In this context the political resolution noted, "The party will define and determine its attitude to whatever alternative that emerges on its merit on the test of secularism, anti-imperialism and democracy."

The CPI said without mincing words that in the background of the political crisis bourgeois opposition parties were trying to put forward an alternative to the Congress without good alternative programme. They were only harping on the issue of corruption. This only helped the rightists to shift the country's policies to the right. The CPI would combat such attempts.

Speaking to this correspondent, the CPI general secretary said, "The Janata, for instance, is trying to hold the left parties with the left hand and the right parties (BJP, Muslim League and United Akali Dal) with the right hand."

Clarifying why the CPI had only demanded a mid-term poll and not the resignation of the Prime Minister, the communist leader said his party be-

lieved in a change of policies, and not individuals.

The CPI also announced the possibility of modifying the party's present programmes, to promote its strategies. A resolution was adopted in 1964, after which "many important changes" had taken place in the socio-economic political life of the country. The job of taking a "fresh look" at the programme has been left to a group of seven senior party leaders.

He said it might now be impossible for Mr Gandhi to retrace all his steps. The week August 16-22 is being organised by the CPI as a political campaign week.

Mr Rao also said that 'in objective terms', the former President, Mr Zail Singh, was playing into the hands of some reactionary forces.

Seeing the stepped-up dissident activity in the Congress, the opposition "bourgeois parties" had tried to persuade Mr Zail Singh to bid for a second term as an independent candidate.

Alongside, efforts were also being made to encourage the former President to allow the Prime Minister's prosecution.

"The President had almost fallen for this," the review report of the party council noted. But the CPM and CPI did not stand by this. Never before has the CPI released its review report to the press. It did so this time to amplify its position on the presidential election, Mr Rao said.

Before the Haryana election, the opposition "bourgeois parties" were agreeable to the candidature of Mr V. R. Krishna Iyer for the presidency, the report said. They changed their stand after the Haryana poll "encouraged by some unprincipled dissidents" in the ruling party who gave them the hope of splitting the Congress vote.

The report said the opposition "bourgeois parties" wanted the communist and left parties to trail behind them. But the CPI and the CPM made it clear they could not support Mr Zail Singh in view of his "past record." Besides they would not depend on "unprincipled dissidents from the Congress."

"By foiling the game of the emergence of a rightist alternative to the Rajiv Gandhi government, the left has done a great service to the cause of our country and world peace," the report said.

#### Misgivings Told

New Delhi PATRIOT in English 30 Jul 87 p 1

[Article by Arindam Sen Gupta]

[Text]

After four days of intense debate, the CPI national council has adopted a resolution on the present political situation asking for a mid-term poll which, according to the party, is the only democratic solution to the ever-deepening crisis within the ruling Congress party leading to a total loss of its credibility among the people.

Together with this, the CPI has decided to observe a "campaign week" during 16-22 August demanding fresh poll for the Lok Sabha as also to firm up the fight against destabilisation, accentuate the anti-imperialist movement, highlight the need for changing the Government's "retrograde economic policies", and pressurise it sufficiently to move left-wards in its general policy orientation.

Though this is the outward stand of the party, discussions with CPI leaders on Wednesday after their National Council meeting showed that their demand for a mid-term general election stems not so much from a firm belief this will end the present political uncertainty as its fear that continuance of the Rajiv Government may land the country in a deeper mess.

On the one hand, the CPI has deep misgivings about rightist opposition parties vying for power, including the Janata, Telugu Desam and BJP, mainly because these parties have made corruption as the central plank for attacking the Rajiv Government while keeping silent on other issues such as, the country's foreign policy, economic policy, communalism and separatism.

But on the other hand, it is deeply distressed by the manner in which the Government is trying to sweep corruption charges under the carpet while riding rough-shod over the popular demand for an impartial inquiry into the charges in which people will have a modicum of trust. If this is the trend, the party fears, the Government will make its position more and more tenuous, thereby, making itself more vulnerable to the "forces of destabilisation".

Consequently, the party appears to be in a quandary, though the popular groundswell against the present Government has made it come out in demand for a mid-term poll. Its dilemma can be seen even in the programme for its "campaign week" which while demanding fresh poll, seeks to pressurise the Rajiv Government into changing some of its policies which, it feels, are reactionary and favour vested interests.

Other than discussing the pros and cons of the present political situation, the party national council is understood to have spent some time exchanging views on Mr V P Singh and the political phenomenon he represents. At the end of it, no definitive view appears to have emerged on the rebel Congress leader and the party has decided to wait and watch how he develops.

While the CPI initially assessed Mr Singh positively, not only for his clean image, but for the militant secular platform he represented in the company of Mr Arif Mohd Khan, it has been distressed by recent reports that his Muzzafarnagar meeting was organised by the RSS and that he has accepted the invitation of ex-BJP leader Jaswant Singh to visit Gujarat. CPI leaders are, therefore, wondering if in order to create his vote bank Mr Singh is seeking favour of those whom the

Communists consider as rank communalists.

One thing, however, which is clear to the CPI is that it will neither join an all-in opposition front nor support it. Such a front, said a CPI leader, was destined to collapse within a year under the burden of its own contradictions as the 1977 Janata experience has shown. Worse, it would be a front with the sole ambition of wresting power but lacking any clear perceptions on policy matters. Given the critical situation in the country, such an eventuality was extremely "undesirable".

The leader said that, under the circumstances, the only path left open for the CPI was to continue to strive for a left and democratic alternative to the Congress. But he also agreed that crystallising such an alternative was not an easy task, certainly not in the near future. So, for the present, the party would keep its options open while utilising every opportunity to exert its influence for the policies it upholds and against those it does not.

### Policy Changes Studied

Calcutta THE TELEGRAPH in English 3 Aug 87 p 5

[Text]

**New Delhi, Aug. 2:** The CPI national council has set up a commission to look into the party's programme which was adopted way back in 1964. This significant development is being viewed as another step in coming closer to the CPI(M).

A communique issued on the meeting of the national council of the party said that the necessity of having a fresh look at the party's programme had emerged in view of several important changes in the "socio-economic-political" set up of the country.

The national council has set up a seven-member committee to look into the matter. The committee members are Mr Jagannath Sarkar, Mr A.B. Bardhan, Mr M. Farooqi, Mr P.K. Vasudevan Nair, Mr Avatar Singh Malhotra, Mr N. Giri Prasad and Mr Promode Gogoi.

The two communist parties had formally parted ways in the year 1964, following differences over the assessment of national and international issues. The major differences were over the assessment of the Congress party, alignment of economic and political forces and the state of the Indian revolution. In the international arena they had been differing over their respective attitudes and links with China and Russia. They also had very varied perceptions regarding each others national and international programmes.

The first reports of efforts to bring the two parties closer came during the Bathinda Congress of the CPI, which was held in 1978. Efforts for a merger have been going on since then. At present the two parties have identical views on several domestic issues. Both have simi-

lar views on the Congress government, the communal situation in the country and the foreign and economic policy. Both also recognise that the Soviet Union is the leader of the communist bloc in the world.

Although certain differences still persist on several domestic issues, the announcement of the re-evaluations of CPI's programme is being viewed as another step towards bringing the party closer to the CPI(M).

Talking to this correspondent, the general secretary of the CPI, Mr Rajeswar Rao, indicated that there would be some structural changes in the party. He, however, did not spell them out, saying that a number of proposals had been forwarded and they would be examined by the committee.

It is, however, felt that the CPI

will announce the formation of a politburo similar to the one the CPI(M) has. Mr Rajeswar Rao said no time limit had been set for the submission of a report by the committee as the issue needed serious considerations.

The CPI has given a call to observe August 15 as a "day for national unity and against communalism." It will observe August 16 to 22 as a political campaign week demanding fresh poll to the Lok Sabha.

The CPI has also decided to hold discussions with other left parties, in view of the present political situation. It will consult other Opposition parties later. The two communist parties have been keeping in close touch and forwarding each other their respective party resolutions for study.

/9317

CSO: 4600/1899

## REPORT ON CAMPAIGN OF DISSENTING CONGRESS-I MP'S

Madras THE HINDU in English 6 Aug 87 p 9

[Text]

NEW DELHI, Aug. 5.

A cat-and-mouse game between the Congress(I) high command and the dissenting Congress(I) MPs, who have cast their lot with the former Defence Minister, Mr. V. P. Singh, is emerging here, even as the dissenting MPs have intensified their campaign against the party's leadership.

Several moves were made in the last two days by this dissenting group in Parliament in pursuit of their strategy to put pressure on the party high command. In a strongly-worded statement, Congress(I) MP and former party general secretary, Mr. Ram Dhan called upon the 'elders' in the party to 'search their hearts whether they have not compromised with the wrong and evil' in the interest of 'survival.' How long could they remain silent spectators, he asked.

'Cancer has entered into the vitals of the Congress,' Mr. Ram Dhan said, and the danger of destabilisation of the country came from 'the cancerous limbs of the body politic of the Congress, like economic offenders, corrupt leadership and communal forces.' The 'bogus membership' as also the 'bogus' implementation of policies and the 'bogus' leadership 'culminating in the Bofors scandal have brought the nation to disaster.'

The Congress(I) had a 'nominated structure where even nuts and bolts have to be replaced from the top.' But 'chartered buses and rented crowds cannot keep the Congress alive and vibrating' nor could a 'reshuffle of cards' infuse life into the Government and the party, he said. His statement ended with an appeal to 'all those in the Congress and outside' who are 'genuine seekers of a national ethos' to 'join hands to overthrow the anti-national, communal, separatist and corrupt elements.'

**Campaign:** The dissenting MPs have decided to carry on the campaign of their expelled leaders in party forums and from ruling party

benches in Parliament they are now openly challenging the party's official view on various political issues, as expressed in Parliament. For instance, in Tuesday's debate in the Rajya Sabha on a call-attention motion on the reported conspiracy of the CIA to oust the Government of Mr. Rajiv Gandhi, the dissenting Congress(I) MP, Mr. Satyapal Malik, a declared follower of Mr. V. P. Singh, had raised an objection to having a discussion on the subject if the Government could not comment on the authenticity of the letter allegedly written by the former Director of the CIA, as much of the discussion was based on the content of this alleged letter.

These dissenting MPs are now consciously embarked on a strategy in Parliament to articulate their sense of alienation. At the same time, they are taking care not to allow situations to develop where they can be expelled and also forfeit their seats. If they should defy a party whip, they would then invite such a situation. While until now, they have not faced a whip, they will in all probability obey the whip, rather than have their game-plan foundering, and losing their seats.

They have also indicated that in the next meeting of the Congress(I) Parliamentary Party, they intend to 'raise very basic issues relating to the credibility of the leadership.' It is clear that they are daring the party leadership to act against them and they believe that they have placed the high command in an uncomfortable situation. Said one leading expelled MP: 'Our colleagues in Parliament are taking steps that are far more critical of the leadership than we did, and if we are expelled and they are not, it will be very strange.'

Meanwhile the indications are that the party high command is aware of the fact that the dissidents would retain their seats in the event of expulsion and is now working on a strategy that will take this factor into account but also subject these dissenting MPs to some form of punitive action.

/9317

CSO: 4600/1905

## PRESS REPORTS, COMMENTS ON FAILURE OF MONSOON

## Drought Relief Committee

Madras THE HINDU in English 5 Aug 87 p 1

[Text]

## NEW DELHI, Aug. 4.

The Prime Minister, Mr. Rajiv Gandhi, is to head a high-power Cabinet committee to take timely measures for providing relief to the drought-affected areas following the adverse current monsoon.

The committee, which includes the Union Ministers of Planning, Finance, Agriculture, Water Resources, Food and Civil Supplies, and Environment and Forests, is to initiate a contingency plan for raising alternative crops in the areas affected by the failure of rains.

The committee is to keep a close watch on the implementation of various relief and crop measures, according to an Agriculture Ministry release.

A national conference on agriculture, held here on July 28, expressed concern over the tardy progress of the current monsoon. It said the lack of monsoon in States like Gujarat, Rajasthan, Haryana, Punjab and Western Uttar Pradesh, already affected by continuous drought, could have more adverse impact on kharif production and drinking water and fodder supply position.

The Agriculture Ministry has advised the States to take all possible steps to husband irrigation resources carefully during the present kharif season to derive the maximum possible benefit and to conserve water for the coming rabi season.

The States had also been requested to give the highest priority to providing power and diesel for agricultural pumpsets.—PTI

## Steps To Combat Drought

Calcutta THE STATESMAN in English 7 Aug 87 p 9

[Text]

NEW DELHI Aug. 6.—As reports poured in that millions of people are in distress for lack of drinking water and shortage of food, due to the prevailing drought, the Centre took several measures to provide relief.

To save the crops and avert a big shortfall in grain production, the Prime Minister directed the Petroleum Ministry to divert all available diesel from industry to agriculture so that pumpsets can be run to provide water for drinking and irrigation.

The unprecedented drought is also being tackled by the States in several ways. The expectation here is that the State Governments are giving priority in power supply to farmers and cuts are being imposed in towns and on industrial users rather than on agriculture.

The Cabinet committee on drought met here today and soon afterwards the Union Agriculture Ministry set up a crisis management committee to monitor the progress of the monsoon and co-ordinate relief measures with the States as the drought is believed to be the worst in this century.

The Council of Ministers as well as the Congress (I) working committee discussed the subject, besides both Houses of Parliament.

There is a feeling in non-official circles that while the drought is widespread and grave, the way it has hit Delhi and its immediate neighbourhood has sent shock waves in the Government.

Shortages have serious political repercussions and Opposition leaders say that a Government can afford to ignore them at its peril. They recall that the Bihar famine and continuing drought was one of the several factors which brought down the Congress (I) Government in 1977.

A new strategy seeks to create permanent assets in the countryside rather than provide jobs for temporary relief work. Drinking water and fodder will be supplied by rail tankers, trucks and other modes of transport.

Visions of impending gloom in rural areas, due to the current drought, were presented in the Rajya Sabha today when almost the entire sitting was devoted to what was listed as a "short duration discussion" on the subject. As many as 20 members spoke on the mo-

tion, despite the Opposition boycott.

According to most of the members, the drought, which had affected a large part of the country had already affected the kharif crop. The absence of moisture in the soil had also affected the prospects of the rabi crop. The shortage of drinking water had assumed chronic proportions, and with fodder being scarce, cattle would be affected.

Agricultural labour would be unemployed and that would set off a chain reaction—which might even assume a law and order dimension. A member feared that there would be a fall in the demand for manufactured goods.

According to the Agriculture Minister, Mr Yogendra Makwana of the 470 districts in the country, there had been normal rainfall in just 145. In 110 districts, the rainfall had been deficient and in 152 it had been scanty. "This shows the gravity of the situation". What made things worse was the fact that in five States there had been three successive droughts, and for two years eight States had been hit.

Pointing out that 58% of the annual production of foodgrain and 55% of the oilseed production came during the kharif season, Mr Makwana gave statistics to show that 31.5% of the paddy, 50.25% of coarse grains, 33.5% of cereals and 64.5% of groundnut, the major oilseed crop, had been affected.

Regarding the demand for enhanced Central assistance, Mr Makwana said that the Centre did not have unlimited resources. In the entire Sixth Plan, the Centre had disbursed Rs 1,373 crores as drought relief. So far, during the Seventh Plan (which had well over two years to run), the quantum of aid had been Rs 1,303.58 crores.

Our Delhi Office adds: Despite the few recent showers, Delhi is still firmly in the grip of what officials describe as the "century's worst drought." The drought has already hit those who live in the rural half of Delhi due to an almost total crop failure and acute shortage of drinking water. It is now widely acknowledged that unless the Government steps in with a massive dose of relief, the blow would be fatal. At the very least, hundreds of cattle would perish.

## Finance Minister's Meeting

Calcutta THE TELEGRAPH in English 9 Aug 87 p 5

[Text]

New Delhi, Aug. 8(UNI,PTI): The finance minister, Mr N.D. Tiwari, today sought the assistance of economists to evolve a strategy to meet the unprecedented drought threatening both the agricultural and industrial sectors and to tackle certain persisting problems of the economy.

At a meeting with leading economists, he listed six key areas where remedial measures were necessary. Besides drought, the other areas were balance of payments, anti-poverty programmes, employment generation, growth with social justice and achievement of a low-cost economy.

He said steps should be taken to meet the drought, coping with supply shortages and price rise arising from the situation. He warned of a likely setback to both agricultural and industrial production as also to the overall growth of the economy even though government had taken a number of measures to keep pace in view of the drought situation.

The finance minister also pointed out that a serious resource constraint continued and while tax and non-tax revenues had increased, the growth in non-plan expenditure posed a serious problem.

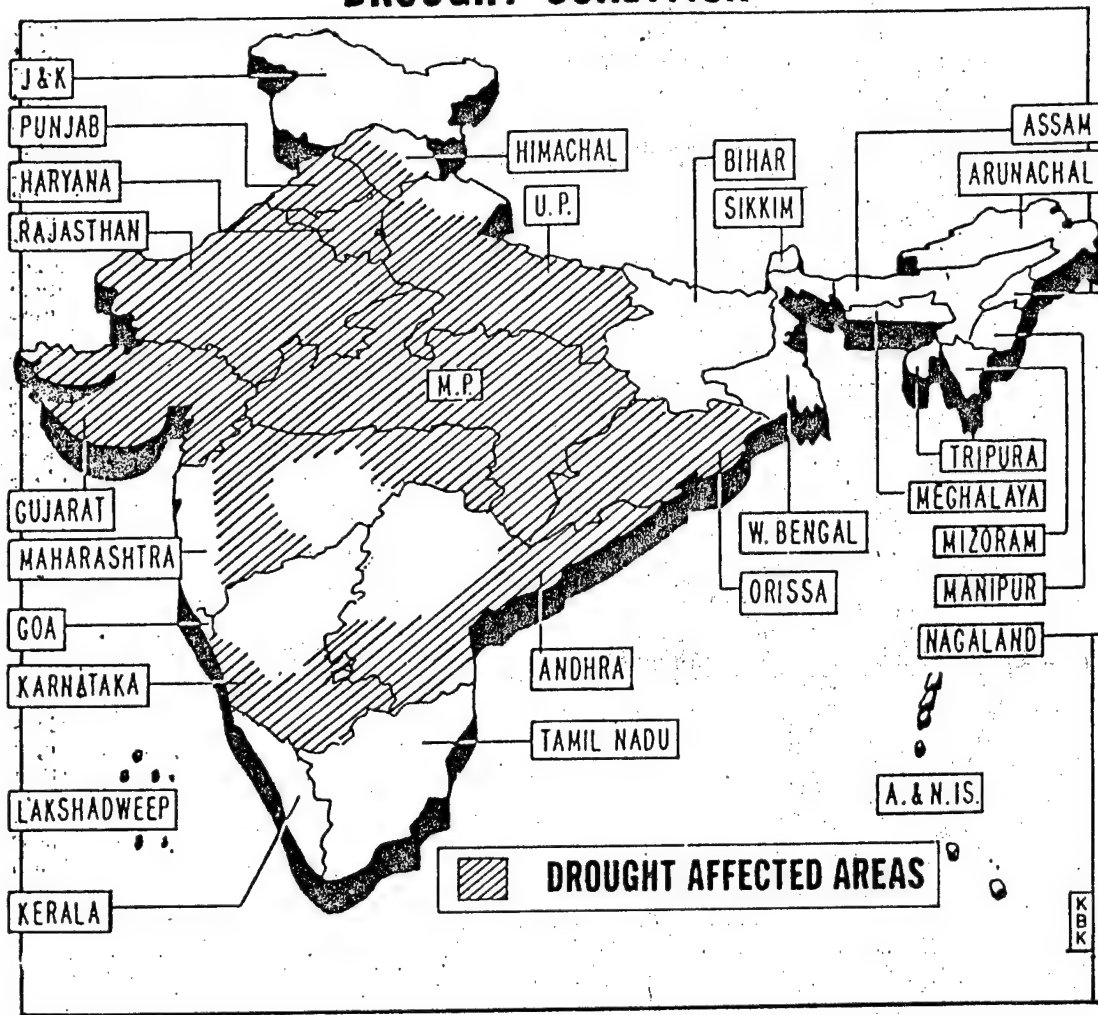
He said deficit financing in the first three years was already in excess of the Plan target. Balance of payment position remained a difficult one and pressure was also likely to continue because of rising international oil prices and protectionist politics of industrialised countries.

The economists present felt that production of wheat, rice and cereals must be increased to face the threat of drought and to check price rise. Some of the economists said that capital boost should be given to agro-industries by shifting investment from industries which give rise to demand for luxury goods.

**Poverty and unemployment**  
Mr Tiwari called for a strategy to work for removal of poverty, increased employment and rapid economic growth.



## DROUGHT CONDITION

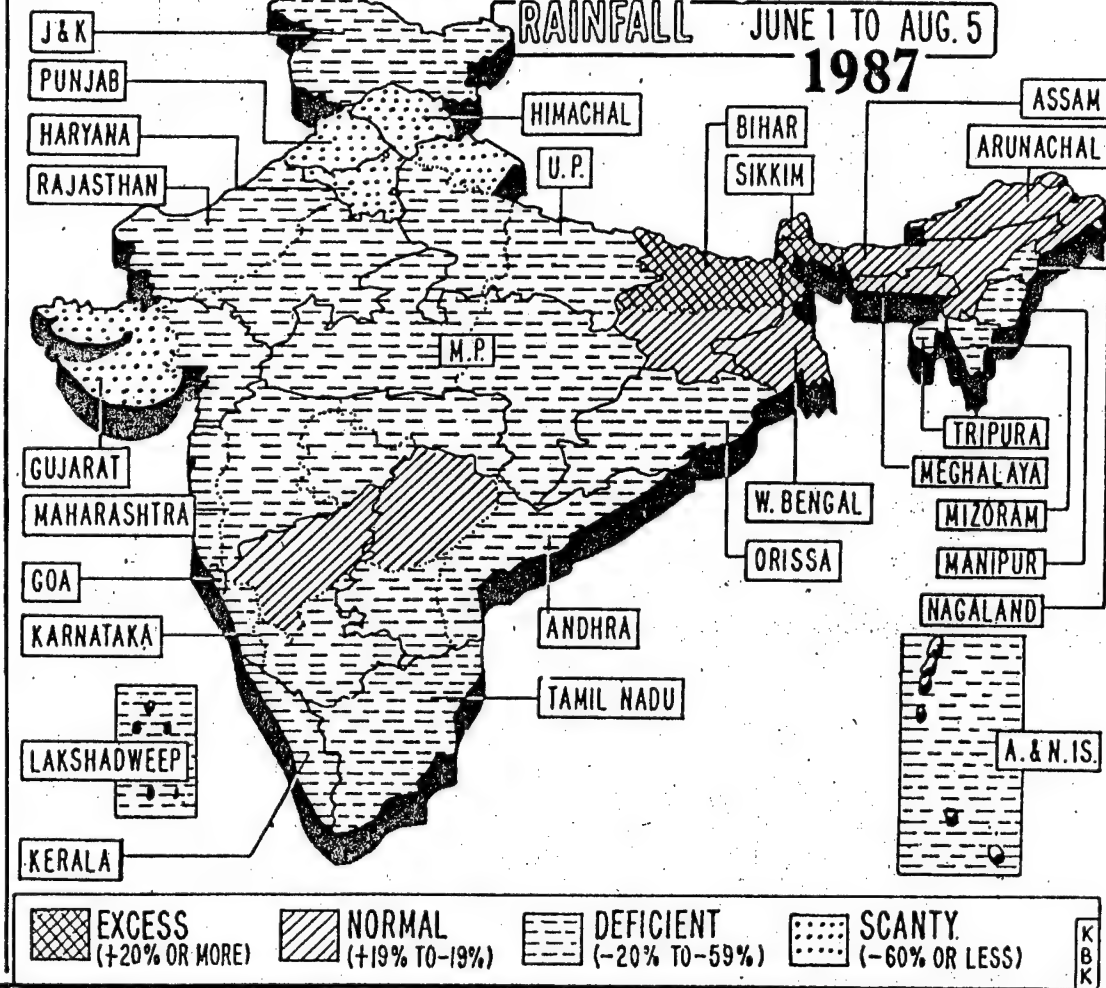


# MONSOON THAT FAILED

RAINFALL

JUNE 1 TO AUG. 5

1987



## Urgent Steps Necessary

New Delhi PATRIOT in English 12 Aug 87 p 1

[Editorial by R.K. Mishra]

[Text]

Unprecedented drought has gripped large parts of the country. Lakhs of cattle face the frightening spectre of total annihilation. Notwithstanding a buffer stock of over two million tonnes of foodgrains, human population in many areas is likely to suffer starvation and malnutrition. Unless public distribution system is organised effectively and on a warfooting, deaths may occur in famine-affected areas. Water riots may take place in drought-hit districts and towns and cities where supply arrangements are precarious. It will be necessary to rush drinking water by truck and rail-borne tanks. Prices are spiralling at an alarming pace. With fall in water levels, the hydel power generation infrastructure may collapse dislocating industrial production in a big way. Supply of power may have to be suspended on a scale for which neither the producers, nor the consumers are psychologically prepared.

The economy is threatened with runaway inflation. The Government needs massive financial resources to fight the drought. The growing deficit the Prime Minister had promised to keep within manageable limits is likely to mount. Internationally, the oil prices are showing an upward trend. Imports may have to be stepped up causing unexpected strain on foreign exchange resources. Even diesel may have to be imported in larger quantities than in the previous years to keep power stations running. Prospects on the edible oil front are none too bright.

In short, we are facing a national calamity of monumental proportions. And this at a time when the political system is caught in a turmoil. The Central Government is embroiled in a protracted battle with the Opposition on issues of corruption and kickbacks in defence deals. The Congress party is riven by dissensions, apprehensions and disquiet. The Opposition is all set for the kill. The pressures and preoccupations at the Centre are having serious effect on the states as well. Congress-ruled states are gripped with uncertainty. Several Chief Ministers are unsure how long they will last. Central ministers and non-Congress Chief Ministers are trading abuses in public. No wonder, the administration is more or less paralysed in several states. Many Central ministries are also victims of inertia and lack of direction.

This grim situation does not permit any further drift. Unless the calamity is faced with farsight and courage, wheels of progress will be put back by several years. There is need to brace the entire nation to face the situation with determination. The Central Government has set up a committee under the Prime Minister's chairmanship to oversee drought relief operations. This is a recognition of the gravity of the situation. But the challenge the country is facing cannot be met by the Government alone.

An emergency meeting of the National Development Council needs to be called at the earliest. Complete coordination must be ensured between the Centre and the states and amongst various states to ensure expeditious relief to disaster-hit people. Urgent steps are necessary to

mobilise material, financial and human resources. More than anything else, there is need to ensure that there is no panic. This can be done only if people are mobilised and no one seeks to take partisan advantage of human suffering and an impending economic catastrophe.

Parliament is seized of the gravity of the problem. By building a national consensus for a joint non-partisan effort to face the drought, this supreme forum of Indian people can set the pace for effective action and give solace to the victims of drought and courage to the millions suffering scarcity and privation.

/9317

CSO: 4600/1912

## BRIEFS

DEPUTY PLANNING COMMISSIONER--New Delhi, July 28--Mr P. Shiv Shankar, who was on Sunday shifted from the Ministry of Commerce to the Ministry of Planning, will also be the Deputy Chairman of the Planning Commission. This is in accordance with the practice in the past to have no separate Deputy Chairman when a Minister of Cabinet rank was entrusted the portfolio of Planning. The reason is that the Deputy Chairman is also of the rank of a Cabinet Minister. Mr S.B. Chavan was the last to hold the dual charge of Minister of Planning Commission and Deputy Chairman of Planning Commission. The present Deputy Chairman of the Planning Commission, Dr Manmohan Singh is due to relinquish his office on July 31 to join the South Commission and Mr Shiv Shankar is scheduled to assume his new office only that day. [Text] [Madras THE HINDU in English 29 Jul 87 p 9] /9317

CSO: 4600/1915

## USSR JOURNAL ON MEANS OF EXPORTING IRAN'S 'ISLAMIC REVOLUTION'

18070381 Moscoo NAUKA I RELIGIYA in Russian No 5, May 87 pp 44-47

[Article by Agayev, doctor of history, in the column "Abroad": "Live Bombs"; first three paragraphs are NAUKA I RELIGIYA introduction]

[Text] "We will spread our revolution to the entire world, because this is the Islamic revolution. Until the call "There is no God, except Allah" begins to sound everywhere on earth, the struggle will continue." This statement by the imam Khomeini, the supreme ruler of the Islamic Republic of Iran, with the utmost clarity expresses the essence of his conception of "the export of the Islamic revolution".

Among the mail addressed to the editors, there are quite a number of letters with the request to disclose the true connection between this conception and the doctrine of "the struggle against international terrorism" proclaimed by the administration of the United States. Some readers call attention to the fact that the implementation of the doctrine in the majority of cases does not concern the objects that are publicly announced by the chief source of the spread of international terrorism, in particular by the Islamic Republic of Iran.

What is the matter here? What is the hidden political motive of such a posture? In the article offered here an attempt is made to answer the readers.

Nothing except religion--neither the economy, nor politics--can be the basis for the union and unification of nations, said the president of the Iranian Majlis, Hojatoleslam Hashemi Rafsanjani. This explanation is necessary for the "worldwide rebellion against the domination of the United States and the Soviet Union in the Muslim states." As a mode of life, the Muslims of the entire world must select the "Islamic revolution" in Iran, and Iran itself must stand at the head of the international Muslim struggle against the "world forces of arrogance."

At the end of September 1982, the influential Iranian newspaper JOMHOURI ISLAMI wrote that "the Islamic Republic of Iran, as the most powerful power of the region, as a revolutionary country, and as the most powerful state in the Islamic world, can play a decisive role in the solution of the problem of the Muslims." Khomeini, in his turn, has called for the creation of a Muslim army,

consisting of "tens of millions of believers" and having reserve forces including hundreds of millions of Muslims. In his words, this army would be "the most powerful in the world."

The Iranian leaders have not limited themselves to the propagation of their doctrines. They have conducted a great deal of organizational work. In September 1982, the president of the Islamic Republic, Hojatoleslam Hashemi Khomeini, at a meeting with the envoys of the Muslim states accredited in Iran, proposed to convene a conference of the leaders of the Islamic states "for the purpose of the exchange of opinions concerning the most important problems of the Muslim world." Since such a conference did come into being, it was necessary to make do, in December of that year, with the convocation of the International Congress of the Leaders of the Friday Prayers,<sup>1</sup> in which more than 100 representatives of the Muslim clergy of almost 40 countries took part.

Judging by everything, the Iranian leaders sought to convert this meeting into a permanently functioning forum. The Second International Congress, which took place in May 1984 in Teheran, adopted a declaration in which, in particular, it was stated: "Realizing the importance of the role of the leader, an expert on Islam, who would well understand the necessity of the attainment of real unity among the Muslims, we acknowledge that Ayatollah Khomeini, the great imam, has all the qualities necessary for the leadership of the Muslims, and we propose to the Muslims to follow his appeals."

At the beginning of 1985, according to data given by the English newspaper GUARDIAN, during a meeting of more than 500 religious figures--Shiites and Sunnites--in Teheran, the Supreme Council of the World Islamic Revolution was created, which was called upon to unite the efforts of all Muslim political groupings and organizations that are guided by the ideas of the Islamic revolution. The same newspaper reported that the participants of the meeting were given the opportunity to get acquainted with special camps in the northern part of the Iranian capital, where under the supervision of the deputy commander of the Corps of the Guards of the Islamic Revolution--the praetorian guard of the Islamic clergy--800 "condemned men" from the various states of the Persian Gulf region, as well as from Iraq and Lebanon, were being trained.

In other camps, according to reports of the Western press, entire "armies of national liberation" have been trained. According to data published on 9 August 1982 in the American newspaper NEWSDAY by the former editor-in-chief of the Iranian newspaper KAYHAN, Amir Taheri (he held this post from 1973 to 1979; he emigrated to France), already in 1980 the Center for the Export of the Islamic Revolution was created. Two years later, it had at its disposition a budget of 60 million dollars and coordinated the training of about 40,000 Muslim members of revolutionary fighting groups from more than 20 countries. Subsequently, their circle probably increased: Teheran was literally filled with the representatives of the various "Muslim fronts"--from the Arab to the Philippine and Thai fronts. This is where the headquarters of almost 15 counterrevolutionary Afghan groupings were located, the separatist Eritrean Front of Liberation (Ethiopia), the Lebanese Shiite organization al-Amal, the Iraqi Islamic party Ad-Daava and dozens of others. In the theological center of Qom, young people from Senegal, Tanzania, Malaysia, Tunisia, and other countries have been trained.

Iranian "Islamic revolutionary organizations" have established contacts with foreign extremist groupings even in the states with which Teheran has maintained rather friendly relations--in India, Pakistan, and others. Officials of Malaysia, for example, have constantly complained about the links of "certain groupings" of Iran with "the extremists controlling the Pan-Malaysian Islamic Party, as well as about the fact that Iran conducts seminars for Malaysian Muslims, at which appeals are made to fight for the establishment of an Iranian-type Islamic regime in Malaysia.

Iran has conducted particularly intensive activity in the rich oil states of the Persian Gulf, where it had the opportunity of making broad use of large Iranian colonies and rather large contingents of the Shiite population. "Today Iran," A. Taheri wrote, "is acting energetically in the entire region of the Persian Gulf, conducting propaganda and providing training, supplying arms and extending financial support to the most diverse opposition groupings. The unsuccessful attempt at a coup in Bahrain, which was especially strongly subjected to the attacks of Iranian radio waves, according to the investigation carried out there, was directed from Teheran; in the fall of 1983, an analogous conspiracy was discovered in Qatar. As a matter of fact, the Iranian agents did not conceal the fact that the export of "the Islamic Revolution" into other Muslim countries is their first sacred duty. The constant threats of Teheran directed at Kuwait, Oman, and other small states of the Persian Gulf region were unequivocal.

At the beginning of July 1986, the Cairo newspaper AL-AHALI reported that in February a coordination meeting of the leaders of the Shiite organizations of a number of countries of the Near East and the Persian Gulf region had taken place in Teheran. At this meeting discussions took place concerning the question of the activation of the struggle "against the tyrannical regimes which refuse to follow the path of true Islam." In particular, agreement was reached concerning the creation of supreme Islamic councils on the Iranian model in Kuwait, Saudi Arabia, Bahrain, and United Arab Emirates, for the financing of which Iran allegedly allotted billions.

The traditional annual pilgrimage of the Muslims of the entire world to the holy places in Medina and Mecca (Saudi Arabia) has become one of the most important channels for the export of the ideas of the "Islamic revolution." The Iranian pilgrims (in different years there were from 70,000 to 150,000 of them) have organized political demonstrations in Saudi Arabian cities and even in the courtyard of the main mosque in Mecca. They have distributed propagandistic materials calling on the Muslims to overthrow their "puppet governments." In 1982 the Saudi police arrested 21 Iranians and sent them out of the country. But in subsequent years, the authorities of Saudi Arabia, fearing the threats emanating from Iran, again accepted Iranian pilgrims, although the latter did not think of abandoning their political and propagandistic activity.

As a suitable proving ground for testing the conception of "the export of the Islamic revolution," the Iranian leadership counted on Lebanon, tormented by internal civil strife and foreign aggression, where the authorities are not even in control of the entire territory of the capital--Beirut. In June 1982, right away after the Israeli invasion of Lebanon, it sent groups of "volunteers" there (a total of 300 to 500 people), who were accompanied by representatives of the clergy. The Iranian press regarded this trip as "a fine opportunity for the



dissemination of the Islamic revolution. The Iranians settled in the traditional Shiite city of Ba'kabakk (in the Bika Valley), where they occupied mosques and public buildings, opened a hospital, polyclinics, religious schools and cultural centers, in which films were shown glorifying the "Islamic revolution."

The initial reaction of the local Shiite population to the actions of the Iranian "volunteers", as reported by the journalists, was a mixture of curiosity and slight ridicule. But in time signs of religious zeal began to manifest themselves in the city: Such "godless" places as cafes and places of entertainment became deserted, but the mosques and religious schools, on the other hand, filled up. The portraits of the imam Khomeini began to be glimpsed not only in the market square, renamed in his honor, but also on the walls of houses situated on the slopes of the faraway mountains. Already in May 1983 it became known that among the Iranians in Ba'kabakk there were 1,500 "guards of the Islamic revolution."

At the beginning of 1984, the leader of the Lebanese Shiite armed detachments, belonging to the so-called "Party of Allah", created in Lebanon on the model of the corresponding Iranian organization, visited Teheran. The minister of foreign affairs of Iran, Velayati, appealed to him to use all forces and resources in order to begin an "Islamic revolution" in Lebanon.

By this time, there were already 2,000 Iranian "volunteers" in Lebanon, and among them there were not only members of revolutionary fighting groups and "guards", but also experienced propagandists from the Ministry of Islamic Guidance, skilled physicians, teachers, and other specialists. The physicians gave free medical assistance to the population. When the cold weather began, the Iranians, again free of charge, provided the Lebanese with fuel to heat their apartments. It is noteworthy that in the beginning assistance was extended to all the inhabitants, but after some time--only to the "true Muslims", that is to those who regularly attend the mosque, perform the prayers, and take part in the measures that are organized by the local Shiite figures. The Iranian teachers received permission from the local authorities to give lessons on Islam once a week in all the schools of the city. The propagandists from the Ministry of Islamic Guidance frequently performed joint prayers with the inhabitants of the near-by villages, gave lectures, engaged in individual conversations, and delivered presents from "the Iranian brothers."

The military training of the local Shiites was also not forgotten. Having settled in one of the hotels and the park adjacent to it, as well as in the former barracks of the Lebanese army, renamed the "garrison of the imam Khomeini," the "guards of the Islamic revolution", on a special training ground, gave instruction in the mastery of fire arms, the use of explosives, and the organization of acts of sabotage.

The Islamization of Ba'kabakk in the Iranian manner was under way. Moreover, it was conducted not only through methods of persuasion and charity. At times means of the forceful "introduction" of the population to "true" Islam were also used. With the knowledge of the Iranian emissaries, the extremist wing of the Lebanese Shiite movement "al-Amal" engaged in this. Increasingly more townswomen now muffled themselves up in veils, and the men renounced ties and grew beards.

In May 1984, the evacuation of the Iranians from Ba'kabakk was reported. However, neither this report, nor another one which appeared later, were confirmed, though there was a significant decrease in the number of "volunteers" from Iran in Ba'kabakk. Probably this was connected with the decision of the Lebanese government to restore diplomatic relations with Iran, which were broken off 9 months before as a sign of protest against the illegal stay of Iranian "volunteers" on the territory of Lebanon (with the majority of the Iranian diplomats remaining in Lebanon on the territory controlled by the local Shiites).

During 1985-1986, highly-placed Iranian figures repeatedly paid visits to Lebanon; moreover, frequently officials from Iran came to Ba'kabakk without the prior consent of the Lebanese government. In January 1985, the minister of the Revolutionary Guard, Rafiq-Dust, came here, in May the Ayatolla Karrubi, the director of the Iranian Fund for the Fallen, and one of the religious figures closest to Khomeini. The ayatollah held talks with the leaders of the pro-Iranian organizations and on his way back stopped in Ba'kabakk. In his honor, the members of the revolutionary fighting organization of the Lebanese Party of Allah and the members of their families conducted a procession of many thousands, with slogans demanding the elimination of the Christian presence in Lebanon and the establishment of an Islamic regime on the Iranian model in the country. In May, an Iranian delegation headed by the director general of the department of the countries of Asia and Africa of the Iranian Ministry of Foreign Affairs, M. H. Lavasani, came to Lebanon. In the official Beirut press it was announced that the purpose of the delegation was to promote a cease-fire between the Shiite "al-Amal" movement and the Palestinians. In Beirut its members met mainly with the leadership of the Party of Allah and conducted seminars with its officials, at which the ideas of the "Islamic revolution" were propagated.

In March 1986, Lavasani again visited Beirut and held talks with the local Shiite leaders. They discussed questions related to the "necessity of unity of the Muslims and the achievement of Muslim unity in Lebanon under the spiritual leadership of the fighters for true Islam, headed by the imam Khomeini." In June, A. M. Besharati-Dzhakhromi, the Iranian deputy minister of foreign affairs, was in Beirut.

Reciprocal visits in Iran of the Lebanese pro-Iranian organizations also took place. In March 1985, the leader of the Party of Allah visited Teheran and was received at the highest level. Then a representative of the Iranian embassy in Beirut officially announced that Iran had granted "gratuitously 15 million dollars for the development of Islamic culture in Lebanon." In May of the same year, the president of the Supreme Islamic Council of the Shiites of Lebanon was in Teheran and held talks with Khomeini.

Such are the basic directions of the activity of the Iranian leadership with respect to the realization of the conception of "the export of the Islamic revolution." Undoubtedly, its main purpose was to secure favorable foreign policy conditions for the regime of the Shiite theocracy that had been created in Iran. But what is the connection of this conception with the doctrine of "the struggle against international terrorism" advanced by the United States administration?

Precisely during the time when the Iranian "volunteers" were in Ba'kabakk, the terrorists and condemned men carried out a number of large-scale terrorist acts. The majority of the Western observers ascribed them either to the Iranians, or

to the Lebanese pro-Iranian organizations. In May 1983, representatives of the U.S. Department of Defense asserted that they have at their disposal "indirect information" about the involvement of the Iranian government in the explosion of a bomb in the American representation in Beirut on 18 April (63 victims). Analogous acts were carried out on 23 October 1983 against the American and French bases in the Lebanese capital (298 killed), and 11 days later--in the building of the Israeli staff in Tir (39 dead). Later the previously unknown extremist grouping "al-Jihad al-Islami (The Holy Islamic War), which, as the American intelligence service declared, consisted of Iranians sent to various countries in the world for the purpose of spreading the "Islamic revolution," assumed responsibility for them.

On 12 December 1983, at 9:30 am, a Mercedes pickup tore through the gates of the American embassy in Kuwait, located not far from the castle of the emir, and exploded. At that same moment, a car filled with explosives went up in the air, having driven up to the embassy of France. On this day, other terrorist acts were carried out in Kuwait--part of an airport was destroyed, and an oil refinery was damaged. The grand total--7 killed, 62 wounded. After a few hours, it became known in Beirut that the "al-Jihad al-Islami" organization had assumed responsibility for these acts.

The Iranian authorities invariably denied their involvement in the terrorist acts in Beirut and in other places, as well as the presence of any connections with the "al-Jihad al-Islami" organization and even information about it in Iran. At the same time, the Iranian leadership at the highest level publicly welcomed every such action, declaring that this is the just retribution of the peoples for imperialism. This gave the French weekly EXPRESS (December 1983) the basis for calling the terrorists and condemned men "the live bombs of Khomeini".

In January 1984, the American intelligence services reported that attacks of small planes with condemned pilots were being prepared in Iran against the ships of the American fleet in the Mediterranean and in the Persian Gulf. On this occasion, the U.S. administration declared that "preventive operations" to prevent such actions are possible. The Iranians did not deny the essence of the accusation, but Hashemi-Rafsanjani declared that, if the United States will undertake the indicated "preventive operations", then "all American raw material sources and interests" may turn out to be under threat. Such declarations were perceived as a hint that Iran might use "kamikaze tactics" against American and other foreign ships. Moreover, during the meeting with the "guards of the Islamic revolution," Hashemi-Rafsanjani with enthusiasm recalled the Japanese kamikaze period of the Second World War.

In August 1984, about a dozen and a half ships in the Gulf of Suez and in the Red Sea were blown up by mines or were damaged: The responsibility for this action was once again assumed by the same organization--"al-Jihad al-Islami." It declared that it laid about 200 mines. Teheran Radio also welcomed this action of the "revolutionary Muslim organization," having called it a blow to the "arrogant powers", including the United States, France and England. Two days after this telltale commentary, the Ayatollah Khomeini came out with an unusual declaration, which was transmitted by the Iranian information agency IRNA: "When disgraceful actions of any kind take place in the world, people say that

both the Iranians and the Iranian government are involved in this. This is propaganda. How can we support actions that contradict the opinion of the world community, Islam and reason? . . . Mining means that innocent people suffer. How can this be reconciled with Islam? How can Iran tolerate this? . . . No matter what happens, they accuse us. We must call attention to this. . . . Without a doubt, there is something wrong with the radio. It is necessary to put an end to this. Things which discredit Iran must not be hastily transmitted by radio."

In the West the declaration by Khomeini was regarded as a recurrent indication of the presence of serious political differences in the Iranian ruling circles. That's all. No one wanted to believe in the possibility of Iran's repudiation of "export of the Islamic revolution," all the more so because many highly-placed Iranian figures continued to justify its necessity. Thus, Hashemi-Rafsanjani publicly declared that only those can be regarded as "true Muslims" who "steer a car, full of explosives, into a building and blow up. In February, replying to the questions of the Arab weekly AL-ALAM which is published in London, he said: "We do not deny the fact that we are an extremist grouping of the world Islamic movement. . . . We believe that only an extremist movement is capable of opposing the evil despotism of the great world powers and achieve success. For this reason, we not only do not deny our extremist approach to global despotism, but recognize it and are proud of it."

On 16 January 1985, the London TIMES reported that a so-called "independent brigade for the conduct of partisan warfare on enemy territory" had been created in Teheran. Saudi Arabia, Kuwait, the United Arab Emirates, Jordan, and France, the paper wrote, were selected as the main objects of the acts of sabotage being committed by terrorists condemned to death. The names of Iran's minister of Islamic guidance, the ayatollah Mohammad Khatami and the leader of the "al-Jihad al-Islami" grouping, Khoseyn Musavi, an Iranian by nationality, were connected with this organization. The "independent brigade" allegedly had among its membership groups of 10-12 persons each, acting in Lebanon, and all in all it was to have recruited from 1,500 to 2,000 persons under 30 years of age.

The Western press was full of reports about many other terrorist acts supposedly committed by Iranians. They were suspected, for example, of attempts to create chaos at the Olympic Games in Los Angeles (1984) and even of the intent to penetrate into the White House. The WASHINGTON POST (January 1986), citing intelligence data, in particular of the Central Intelligence Agency, reported about the presence, in Iran, of two training centers, training hijackers of airplanes, and a half a dozen training camps for terrorists condemned to death, where there are 30 groups of women terrorists, who directly call themselves "the kamikaze of Islam."

The Iranian government actually never supported that sort of information; none the less, the imperialist circles associated the majority of terrorist acts precisely with Iran, even those which took place in France and the United States: the unsuccessful assassination attempt in Paris on 18 July 1980 on the last prime minister under the shah, Sh. Bakhtiar, who actively opposed the Islamic regime in Iran; the murder (4 days after this), in Washington, of the former press attache of the Shah's embassy, A. Tabatabai, who had close links with him and was the leader of the Iranian emigrants in the United States opposed to the

Islamic regime; and the murder, in Paris in February 1984, of the shah's general G. A. Oveysi, who at the end of 1978 was the military administrator of Teheran, and his brother. An unknown individual, who called the editorial office of one of the London newspapers, reported that the latter terrorist act was the handiwork of the "al-Jihad al-Islami" organization. An unknown person, who spoke Persian, declared to the editors of the Iranian newspaper IRAN TIMES INTERNATIONAL in Washington that a group called the Iranian Revolutionary Organization for Liberation and Reforms is responsible for these murders.

The government of Iran, as in other cases, denied its involvement in these terrorist acts, but, as before, responded to them approvingly.

The duplicitous position of the ruling circles of Islamic Iran with respect to the accusations of terrorism was determined, to judge by everything, by the aspiration to use the conception of the "export of the Islamic revolution" for domestic political purposes--to keep the masses in constant mobilization readiness, prescribed by one of the main slogans of the imam Khomeini: "Ashura is every day and Kerbela--everywhere."<sup>2</sup>

What goals did the United States and its allies pursue in accusing Iran of the majority of terrorist and sabotage acts that took place in the Muslim East and in other regions of the world? Before answering this question, it is necessary to clarify the attitude of the United States to the Islamic regime in Teheran. On 14 August 1981, the diplomatic correspondent of the television company ABC, citing his conversations with a highly-placed staff member of the White House, reported: "The impression may develop that, in the presence of all the tension in the relations, in the presence of all the concerns and troubles which Washington encountered in the conduct of affairs with the new government of Iran, any reports about the failures of Iran and the difficulties of this government call forth malicious delight on the part of the United States. However, things are quite different. . . . The United States believes that any strong government in Iran, even if it is not to the liking of the United States, will be in the interest of American foreign policy."

A very unequivocal explanation of the relation of the United States to the Islamic regime was given on 13 September 1981 by the then U.S. secretary of state, Alexander Haig, in an interview with the WASHINGTON POST: "It is in our interests to build our relations with Iran with regard to a historical perspective, and not contemporary tactical considerations. Moreover, we must do everything in our power to see to it that, in the final analysis, the Iranian regime corresponds to Western values and a Western orientation. . . ." "Do you believe that chaos is reigning in this country?" the correspondent asked the secretary of state. "With every day, such a proposition seems increasingly probable," Haig answered. "However, to attempt to utilize that situation would probably be tantamount to threatening the long-term goals about which I have spoken."

In spite of its invariable declarations concerning its resolution to use all methods to put a stop to "acts of international terrorism" (by which it usually had in mind national-democratic actions in the developing countries), the administration of the United States manifested a fair amount of leniency toward reports of terrorist actions supposedly committed by Iranians. Revealing is the declaration of Haig in the Senate Foreign Relations Committee of 17 November



1981: "Iran, which in former times was a buffer between the Soviet Union and the Persian Gulf and was conducive to the preservation of regional security, is now tormented by war and violence. The danger to the independence and integrity of Iran creates a threat to the security of the United States, compared to which the unjustified infringement of the international order by Iran itself is a pale reflection."

The true underlying reason for the lenient attitude of the United States to the "unjustified infringement of the international order by Iran" thus consisted in the following: The destabilization created by this "infringement" (or, more precisely, by discussions about it) in such explosive regions of the world as the Near East and the Persian Gulf, gave the Reagan Administration plausible excuses for the realization of its expansionist, hegemonist plans in these regions. For this reason, the anti-Americanism of Islamic Iran did not in the least disturb the rulers of the United States. In August 1985, the weekly NEWS-WEEK wrote: "Every time when Iranians get together at meetings, as before, the call is heard: 'Death to America!' Throughout the entire country, the walls of the houses are covered with anti-American slogans and the thresholds are painted in the colors of the American flag: The guests are invited to wipe their feet on the 'Stars and Stripes'. . . . In spite of the anti-Americanism, Western diplomats in Teheran assert that to undermine the present regime would not be in the interests of Washington."

In connection with the bombardment of Libya, the U.S. Administration was compelled to acknowledge that it did not have sufficient evidence against Iran. At the end of April 1986, U.S. secretary of state G. Shultz, having called the bombing only "one of the examples" of how his administration intends to fight "terrorism", acknowledged that Syria and Iran had long ago been entered into Washington's "black list". And President Reagan, in a conversation with journalists, explained that the United States "will be ready to inflict blows on Syria and Iran if it receives exhaustive proof of their involvement in terrorism."

The situation which developed subsequently was sufficiently clearly revealed by the newspaper WASHINGTON POST (July 1986) in the article "Flirting with Khomeini": "The involvement of Syria in anti-American terrorism is finally beginning to attract press attention of a sort. But, as before, a strange silence in regard to another important source of terrorism--Iran--is present. A still stranger impression is produced by the readiness of the two powerful victims of Iranian terrorism--the United States and France--to achieve reconciliation with Khomeini. . . ."

The newspaper called the policy of Washington and Paris with respect to Iran "a new diplomatic game." In reality, there is not so much that is new: "In all diplomatic games, imperialism is guided by the old aspiration to preserve its 'vital interests', as whose zone practically the entire world is considered. This was very strikingly manifested in the events that have received the designation of 'Irangate' in the world press. But about them--a special discussion.

#### NOTES

1. The general prayer of the Muslims in the assembly mosque, which is conducted by an authoritative theologian, who usually gives a sermon on a subject of current interest. (Editorial note).

2. Anshura is the day of death of the grandson of the prophet Muhammad Husayn-- he is regarded as the greatest martyr of Islam by the Shiites; Karbala is the place in Iraq where he was killed.

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## BENAZIR BLAMES ZIA FOR U.S. AID PROBLEMS

Karachi DAWN in English 12 Aug 87 pp 1, 3

[Article by Moula Bakhsh Kalhoro]

[Text]

Aug 11: A democratic Pakistan would have internal strength and cohesion, command respect and better understand India and deal with it to reduce tensions between the two countries and in the region, Ms Benazir Bhutto said here on Tuesday.

In an interview with *Dawn*, first in Pakistan after her engagement to Mr. Asif Ali Zardari, Ms. Benazir Bhutto pointed out that Indian hegemony had grown in the region since the PPP decade, which was evident from the seizure of Siachin area and the Indian military role in Sri Lanka's civil war.

PPP Co-chairman strongly criticised the Zia regime for the Afghan refugee problem, gun-running and subversive activities in the country. The bomb blasts, she said were the "natural consequence of the myopic policies of an unimaginative and unrepresentative regime."

She called for a political settlement of the Afghan problem, and such settlement, she insisted, "should not come from blackmail but from internal strength to be just for Pakistan and secure the withdrawal of Soviet troops and return of Afghan refugees."

Ms Bhutto also questioned the nuclear policy of the Zia government which, she said, had endangered U.S. aid at a critical moment.

**ENGAGEMENT:** To a question regarding the effect of her engagement on her politics, Ms Bhutto emphatically declared: "Whatever I do in life, whatever action I take, it is decided on the basis of the

people's struggle. I am with them until the day I take my last breath. Nothing can deter me from the cause of federalism, democracy, and egalitarianism, least of all personal matters."

**INDIAN ROLE:** Replying to a question about the Indian role in the region and its attitude towards Pakistan, she said: "Ever since the imposition of martial law and the advent of Gen Zia's rule, Indian hegemony has grown in our region. This can be seen from its seizure of Siachin areas in 1984 and 1987 and in its becoming the power brokers in Sri Lanka. All we have is a spectator's role."

**GULF:** On the fastly deteriorating Gulf situation, Ms Benazir Bhutto said that a stable Pakistan was needed to lend greater stability to the area. "We should have been playing a far more useful role in seeking to end the Iran-Iraq war than we have. It is a commentary on the Zia regime that it is on the peace committee of the longest Muslim war," she remarked.

The Gulf situation is volatile and dangerous and has the potential of a much wider conflict. Pakistan should seek to defuse the situation rather than fan the fires, she added.

**NUCLEAR POLICY:** Blaming the regime's policy for the moves in the U.S. to stop aid to Pakistan, she said that the United States had always made it clear that it would not give aid to a country seeking to procure nuclear capability, and Gen. Zia had repeatedly assured the Americans that under him



Pakistan was not seeking this capability. "Having endangered the nuclear energy programme the PPP's secret plans, which were leaked out according to Ms Bhutto, one wonders at the logic of seeking to procure parts and endangering the military and economic aid at a time when Siachin has been lost, relations with India have deteriorated and relations with the Soviet Union are complicated over the Afghan issue.

"If our programme is a peaceful one for energy purposes, as PPP declared in its first term and declares now too, there should be no hesitation for us to demonstrate this in an honourable way. Let there be no mistake. Whether it is America or any country, they will pursue only their own interests. Their country comes first with them, she pointed out.

**LB POLLS:** About local bodies election, she said the PPP would take a decision about participation after Government announced the rules and the Election Commission gave its judgement on the question of Muslim League's registration.

"The PPP will take a decision on the local Bodies polls on the basis of the rules which are to be announced. The Muslim League promised to release the rules in April but have not done so yet. They are scared that the people are going to lynch them at the polls for their "wanton acts," she added.

"We are also waiting for the Election Commission to prove its impartiality by de-registering the Muslim

League and disqualifying all their members. According to the rules, the Muslim League should have held party elections by March 1987. The penalty for failure is deregistration. Either the registration law should be repealed or they should be de-registered," she said.

**BLASTS:** Describing the bomb explosions in various cities as the natural consequences of the myopic policies of an unimaginative and unrepresentative regime, she said that the Afghan refugees had been permitted to spread all over the country, and a blind eye had been turned to the gun-running and drug smuggling. The idea she said, was to use the refugees against the local population but instead, infiltrators spread all over the country, created a network, made dumps of necessary ammunition and now have the capacity to strike at the civic centres.

"Who is to say that if ever Afghanistan problem is solved the car bombs will stop. Let's not forget that we had two Afghan-backed insurgencies even before the present Afghan situation, she added.

**THAR:** Ms. Benazir Bhutto criticised the Zia-Junejo regime for what she called "callous disregard" shown to the starving people of Thar.

"We need massive aid on a war footing for Thar. Pakistan should involve Red Crescent, Red Cross and international agencies to deal with the famine as happens when it hits other countries," the PPP Co-chairman added.

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CSO: 4600/305

## ANALYST URGES REAPPRAISAL OF RELATIONS WITH U.S.

Karachi DAWN in English 13 Aug 87 pp 7, 8

[Article by Sultan Ahmed]

[Text]

IF ISLAMABAD is not to undertake any reappraisal of its relations with the U.S. despite the spirited moves in the Congress to suspend aid to Pakistan for 105 days, beginning Oct 1, it is not surprising at all. The Government is not taken in by the urgings of the political leaders and others for such a review and readjustment of the relations with the U.S.

"On both sides there is a strong commitment to have solid mutual relations," says a Foreign Office spokesman in Islamabad. But are the relations that solid and that mutually balanced, or subject to the excessive leverage which Washington enjoys?

Following the departure of Mr Michael Armacost, U.S. Under Secretary of State for Political Affairs, after two days of talks with Gen. Zia-ul-Huq and Prime Minister Junejo, and protocol-breaking hospitality, the full House Appropriations Committee has endorsed the recommendations of its sub-committee to suspend aid to prevent Pakistan from what it perceives as attempts to make a nuclear bomb. And yet Islamabad is not disturbed as it has put all its eggs in the U.S. administration's basket, and it is hopeful, or almost confident, the Reagan administration, which has been opposing suspension of the aid, will see the aid package of 4.02 billion dollars for six years through the Congress.

Mr Armacost came here to seek "additional assurances" in regard to our nuclear programme. It was reported from Washington before his arrival here that he wants a commitment that Pakistan would not enrich uranium above the low level needed for civilian purposes, and it will refrain from illegal procurement of materials which could be used for making nuclear weapons.

He has evidently obtained assurances on the second score as Islamabad has reaffirmed that it is not for contravening laws of other countries to procure such materials. The real hitch is in respect of the first demand as the U.S. is not content with assurances that Pakistan is not enriching uranium for making the bomb. The Congressmen had wanted verification and inspection of our nuclear facilities. Pakistan has refused to permit the argument that its programme, set up without contractual obligations to others, is not open to such inspection, as other such programmes as those of India, Israel etc.

Even if Pakistan overcomes the 105-day suspension of aid move, the second stipulation by the Congressional Committee, headed by Stephen Solarz that the waiver of the aid package from the Symington Amendment — which bars aid to countries trying to make nuclear weapons — be limited to two years instead six remains the second hurdle. The U.S. Government is opposed to this hurdle as well, as it was to the earlier six-year package of 3.2 billion dollars ending 1987. Will it be as successful in 1987 in the Congress as it was in 1981?

It was the civil war in Afghanistan with the Soviets on the other side which gave the spur to the Congress to overlook the Symington Amendment. Will Afghanistan do that again now as the issue is still there, in an enlarged manner, and neither the U.S. nor Pakistan is strong on a negotiated settlement in the hope the Mujahideen with their Stinger missiles and Blow Pipes may be able to drive off the Soviets from Afghanistan.

A Foreign Office spokesman has said that the aid package is linked with two factors: support for the freedom and sovereignty of Afghanistan and commitment to nuclear non-proliferation. Today, as in 1981, if Afghanistan is a major plus point for large U.S. aid, U.S. fears of Pakistan trying to acquire the capability to make the bomb is a minus point. Which one prevails at the end remains to be seen with a Democratic majority in both Houses of the Congress now. After all, aid was stopped by the Carter administration in 1979 to hold up Pakistan's nuclear programme, and even after the Soviets moved into Afghanistan Mr Carter offered only 200 million dollars each for two years which was dismissed as "peanuts" by Gen Zia. It was only the advent of the ferociously anti-Communist Reagan which resulted in the six-year package of 3.2 billion dollars, beginning 1981.

If Islamabad is not undertaking any reappraisal of its relations with the U.S. it is because: 1. Such routine reappraisals have been done too often since 1965 when the U.S. stopped arms deliveries to Pakistan the moment India-Pakistan war started. 2. Islamabad is confident that the U.S. aid will continue as long as the super-power war by proxy in Afghanistan continues. 3. Islamabad is not ready to pay the domestic political, economic and social cost of doing without ample U.S. aid, having got addicted to that for the last 35 years varying for military, economic or political reasons, depending on the regime here.

## Mutual ties

We may talk of our solid mutual relations with the U.S. but the fact is that it is an unequal relationship, a relationship between Pakistan's

No. 1 military and economic aid-giver and the third largest recipient of U.S. aid — after Israel and Egypt. It is a relationship between a donor very conscious of his strength and one with an extreme dependency syndrome, and the donor knows that we have driven ourselves to a position in which the government cannot do without that large aid with its various large strings.

If our generals will not want to do without the 1,740 million dollar military component of the new aid package, the sophisticated weapons it promises and varied other gains, the rulers and bureaucrats would not want to do without the economic aid, particularly the 1,800 million dollars to come as outright grant.

When more than half the Annual Development Programme of the Government is depended on aid, when the Prime Minister's over-publicised five-point programme depends on aid, when the five-year plans depend on aid to the extent of 20 to 25 per cent, our officials cannot imagine doing without U.S. aid. And when the U.S. cuts off aid or slashes that, it will force other Western States too to do likewise in the name of non-proliferation.

It is not the officials alone who will abhor suspension of foreign aid. The Establishment as a whole will rise against that as a good part of the aid has been going to trade, industry and the landowners and now external aid is available directly to the private sector. It has been acknowledged that foreign aid helps the rich more, and enables a large new class of Western-oriented rich to spring up, while the poor wait for the benefits of the aid to "trickle down" to them. Too often aid helps the governments — far more — shaky or unpopular governments, than the poor masses. Aid comes to serve the global interests of the aid-givers far more than help the poor, except in disasters.

Doing without aid demands a total social transformation, doing without waste and misappropriations in the Government, which is now racked by the struggle of its top men to move into 1000 cc cars from the luxurious limousines they are accustomed to at the cost of the poor masses. The rich men, globe-trotting bureaucrats and other professionals will not want to do without the varied blessings of large foreign aid for them.

If the U.S. cuts off aid we can refuse to repay the old debt, arguing that we have been repaying the old loans using the new loans. That can bring us closer to the Soviet Union and its Socialist allies. But we have the big Afghanistan hurdle in between.

Clearly we are within a kind of triangle. With India we have assorted disputes and periodically escalating tensions, with the U.S. the proliferation issue, and with the Soviet Union the Afghan issue. Solutions to one or two of these problems might be easier if we had a truly democratic Government which can place all its cards before the people and take the right decisions. We have no such luck, and the political tangle within the country continues. The country is too poor to continue such political if not military confrontations with their heavy political and economic cost.

If the influential Congressman Stephen Solarz has been conduct-

ing a vigorous campaign against Pakistan's nuclear programme, Senator Clairborne Pell, Chairman of the Senate Foreign Relations Committee, writes: "The policy of quiet diplomacy has failed to correct Pakistan's nuclear programme, and has invited a cavalier Pakistani approach to all its commitment to the U.S. ... It is time to get tough with Pakistan."

Clearly regardless of what happens in Washington now, we are in for rougher sailing. So we have to make our choice in the three-front situation. We went to the U.S. in the 1950s to seek military assistance to balance India's military might. They gave us the arms, but did little to check India from attacking Pakistan. And now if we want the means to neutralise India's nuclear weapons capability, the U.S. stands in the way. And we are back to square one. We, clearly, have not been playing the right political and diplomatic game.

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CSO: 4600/306

## POLITICAL PRISONERS: CRITICISM OF STATE DEPARTMENT REPORT CITED

Karachi DAWN in English 16 Aug 87 p 5

[Text]

KARACHI, Aug 15: A report by the (U.S) Lawyers Committee for Human Rights has criticised an earlier State Department report on the human rights situation in Pakistan and accuses it of painting "a misleading picture".

The report, a copy of which has been released here by Mr. Rafiq Safi, Convener of the Political Prisoners and Human Rights Committee, specifically refers to Ahmad Khan Birhamani village in Dadu District.

The State Department report had said, it had found no trace of any excesses in the village and that a video-film made by the PPP was a "fabrication".

The report by the Lawyers Committee, which investigated the incident, said the village was surrounded on Aug 23, 1986, by Pakistan's law-enforcement agencies which "began firing machine-guns and mortars, killing

an eight-month-old child, burning a number of homes, and arresting 36 village residents, eight of whom were still under detention."

The report also criticises the State Department report that there was "no evidence that political detainees were tortured in 1986." The critique of the report refers to several cases of torture, including that of Umar Lund, who was allegedly tortured to death in Sukkur Jail.

The critique said: "A petition was filed with the Sukkur Bench of the Sind High Court seeking redress for these violations. The brother of one of the lawyers who filed the petition, Ghulam Shabbir Shar, was reportedly confined to a punishment cell and held in fetters for 12 days after the petition was filed."

The critique says the State Department's review of the human rights situation in Pakistan in 1986 "was overtly optimistic."

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CSO: 4600/306

## TUFAIL SAID LIKELY TO CONTINUE AS JAMAAT CHIEF

Islamabad THE MUSLIM in English 6 Aug 87 p 8

[Text]

KARACHI, Aug. 5: In all probability Mian Tufail is expected to continue as Amir of Jamat-e-Islami for another tenure of five years.

According to Jamat insiders, the exercise to elect Mian Tufail's successor has led to sharp divisions within the ranks and file and despite rigid discipline there were all indications of these differences surfacing.

Therefore, the top hierarchy is believed to have persuaded Mian Tufail to continue as Amir despite his forceful plea some time late last year to find a suitable successor for the office.

Mian Tufail who returned hardly a week ago after a major surgery of his prostate gland in a Saudi hospital, has resumed the office of Amir and Chowdhry Rehmat Elahi who was the acting Amir and a strong contender for the coveted office, has again been relegated to the secondary position.

In any event, some 5,000 enrolled members of Jamat-e-Islami, of whom more than 60 per cent are from Punjab, are expected to exercise the right of their vote for electing the Amir some time in September or October.

According to insiders the revival of the Assemblies and political activities had brought the Jamat-e-Islami under immense pressure. The Jamat Islami, they assess, could not withstand the pressures of the forces unleashed by the present political set-up in 1985.

In a bid to take up its traditional role of a 'demolition squad', the Jamat-e-Islami launched a tirade against the Sind Government but found itself a 'lone crusader' in the

battle.

The Jamaat, the political analysts feel, considered Sind as the soft belly of the present political system and therefore decided to whip up frenzy against it but failed miserably.

With hardly any influence in the rural population of Sind Jamaat-e-Islami had always enjoyed substantial influence among the Mohajirs and Punjabi and Pashtoon settlers. But after 1985, Mohajirs have been won over by the recently emerged Mohajir Qaumi Movement while the Punjabis and Pashtoons are either still indecisive or are trying to find shelter in identical ethnic oriented groups.

The first blow to the Jamaat came in the Sind Assembly where it raised the issue of motor vehicle tax being given to Karachi Metropolitan Corporation. To its utter disappointment, the Jamaat failed to find any support within the Assembly even from the Opposition members and also from people of Karachi, during public agitation.

The bitter experience made some of the 'silent spectators' within the Jamaat ranks vocal and as insiders revealed the top leadership was openly criticised by them.

They said all these developments had direct bearing on the election procedure set rolling early this year to find a successor of Mian Tufail. According to the traditions, the 50-member Majlis Shoora appoints a person to elicit the opinion of general members for three probable candidates. The ballot paper on the election day contains the name of three probable candidates but members have the right to cast vote for one whose name might not be there.

After Mian Tufail's announcement to relinquish office of Amir on completion of present tenure the three names which appeared as his likely successor were Chowdhry Rehmat Elahi, Prof. Ghafoor Ahmad and Qazi Hussain Ahmad. Yet another name which was being tipped was that of Prof. Khurshid.

Ch. Rehmat Elahi was considered to be a strong contender from the very beginning because of his sizeable following among Punjab members. He was also considered to be the most appropriate successor of Mian Tufail by most of the Jamaat members.

But after suffering serious setback in Sind, the Karachi members of Jamaat-e-Islami have become rather critical of the top leadership.

When Mian Tufail was away in the Saudi hospital for surgery of his prostate glands, Ch. Rehmat Elahi was the target of criticism. This was an indirect manifestation of no-confidence on Ch. Rehmat Elahi. The NWFP members are also believed to be critical of the Jamaat's central leadership. Although very small in number and size, the NWFP unit of Jamaat-e-Islami has become assertive after landing of Soviet troops in Afghanistan. Qazi Hussain Ahmad who was till then a small time member and office holder of an insignificant unit but was ushered into office of secretary general.

With all these developments, the Jamaat insiders believe that the only person who still could command following is no one but Mian Tufail with some possible change in Majlis Shoora to give room to members who were ignored hitherto in policy making.

Mian Tufail, it is believed would finally be persuaded to continue as Amir for next tenure to maintain unity in Jamaat-e-Islami.

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CSO: 4600/304

## RIVAL MUSLIM LEAGUE ALLEGES REGIME HAS ELECTION PLANS

Karachi DAWN in English 11 Aug 87 pp 1, 5

[Text]

AUG 10: The Malik Qasim faction of the Pakistan Muslim League apprehends that Gen. Zia-ul-Haq intends to hold the general election on the basis of proportionate representation "much earlier than 1990."

In a resolution adopted by its central working committee at its meeting on Sunday, Malik Qasim's Muslim League expressed concern over "the regime's designs" which would be damaging for the federation.

The resolution said, the nation has already been split into ethnic, linguistic and communal groups and if the system of proportionate representation is adopted, further division is inevitable. Under the system, political parties and their ideologies would be ignored and regional groups and even those preaching separatism as well as vested interests would have a fair chance of achieving substantial success at the polls."

The working Committee's resolutions were released at a news conference by the PML general secretary, Syed Kabir Ali Wasti, on Monday.

He rejected the system of proportionate representation and said that the League's decision was in accordance with an MRD resolution adopted on March 20, 1982 in the presence of Begum Nusrat Bhutto and various other central leaders of the component parties. He called upon the organisers of the proposed all-party conference to reject the system as agreed between the MRD more than five years ago. Mr Wasti regretted that Mian Tufail Mohammad, the

Jamiat Ulema-i-Pakistan and certain other political parties were advocating the system, and charged the Jamaat-i-Islami Amir with "furthering the cause of Gen Zia."

He demanded fresh elections under the 1973 Constitution and electoral Rules as they stood on July 5, 1977 and said any deviation from this would amount to disintegrating the country.

Through another resolution, Malik Qasim's League reiterated its commitment to increased quantum of provincial autonomy as envisaged in a resolution adopted by the MRD in the past and said that the League and all other component parties of the MRD were under obligation to incorporate the agreed quantum of provincial autonomy in the 1973 Constitution. The League was of the view that the proposed all-party conference should also adopt the MRD resolution on the issue so that the question was not raised during the next election campaign.

The League opposed the condition of registration of political parties on the plea that it was contrary to fundamental rights, the 1973 Constitution and democratic norms. It was a "conspiracy" against political parties which would be entirely at the mercy of the Government under the registration law. The party demanded withdrawal of the condition and said that there should not be any bar on political parties contesting elections.

Syed Kabir Ali Wasti demanded of the Election Commission to cancel the registration of the Pakistan Muslim League (Official)



as it had not only violated its own constitution by not completing party elections by March 23 this year, but also intended to misuse public funds by declaring that the legislators setting up 100 primary Muslim League Units in their constituencies would be given Rs. 100 million out of development funds.

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CSO: 4600/305

## ALL PARTIES CONFERENCE: PROCEEDINGS DESCRIBED

Lahore THE PAKISTAN TIMES in English 17 Aug 87 pp 1, 8

## [Text]

A joint communique, presented before the morning session of All-Party Conference which began today in a local hotel urged the President to leave the seat of authority, dissolve Federal and Provincial Assemblies and set up an interim care-taker Government consisting of national parties that had participated in the struggle for the restoration of democracy.

The first session of the APC was chaired by Maulana Fazlur Rehman, Secretary-General of Jamiat-ul-Islam, also convenor of the conference. He read out the joint communique and requested the leaders to deliver their speeches within the framework of the declaration.

The joint communique stressed that the care-taker Government should organise general elections within four months for the security, solidarity and safeguard of federation under the 1973 Constitution and under the election rules which were in vogue before July 5, 1977. Such an arrangement would lead to the establishment of a solid democratic system in the country, the communique stated.

Among others, the APC was participated by Messrs Ghulam Mustafa Jatoi and Hanif Ramay of the National People's Party, Rao Rasheed and Qaim Ali Shah (PPP), Nawabzada Nasrullah Khan and Mr. Arshad Chaudhry (PDP), Mr. Ghaus Bakhsh Bizenjo and Mr. Qaswar Gardezi (PNP) retired Justice Mohammad Siddique and Abdullah Sani of PML (Khairuddin Group), Sardar Shaukat Ali and Rao Mehroz Akhtar (ANP) and Mr. Fatehyab Ali Khan (Mazdoor Kissan Party).

The joint communique traced the events from July 5, 1977, and criticised various measures of the Government. It held the Government responsible for all the ills that had gripped the society and asserted that country was now facing a disaster.

Describing the APC as epoch-making event, Fazlur Rehman said that pooling of ideas and wisdom by leaders of various shades of opinion would go a long way in serving the cause of national unity and solidarity. Despite mutual differences in respect of approach to various issues, we can sit together and consider ways and means for resolving problems by agreeing on values which are common, the Maulana said.

On the Maulana's move, more than 400 participants, observers and guests prayed for the persons who had been killed in the bomb blasts in Karachi, Lahore, Peshawar, Mardan and Quetta or had died during the movement for the restoration of democracy.

Mr. Meraj Mohammad Khan, President of Qaumi Mahaz-i-Azadi said that country was facing a grave crisis. Either a regional war or a civil war would overwhelm this nation soon, he said. He criticised the role of army in politics and charged the U.S. with providing protection to dictatorships all over the world.

He underscored the need for following an independent foreign policy and providing more autonomy to the provinces.

Prof. Sajid Mir of Jamiat-i-Ahle-Hadith said that Islam continued to be exploited in the name of

Islam in Pakistan. He regretted that people were exempted from the levy of Zakat in the name of Islam.

Mr. Ghulam Mustafa Jatoi, delivered a long speech, discussing various issues, that faced the country. According to him we have gathered at the platform of the APC to save Pakistan. He underlined the need for taking decisive steps to resolve the crisis. He said as Pakistan came into existence as a result of political process, its unity could be maintained only by adhering to the norms of democracy.

The NPP chief criticised the internal and external policies of the Government and described them unrealistic. The wrong policies, pursued by the Government, he said had made some people raise slogans of confederation. There are bomb blasts everywhere and Karachi had been virtually turned into another Beirut. Under the circumstances, Mr. Jatoi said all of us should join hands in fulfilling national obligations. We should not leave the people in the lurch, he said. Issuing of statements or passing resolutions without taking practical measures would disappoint the people further, he added.

According to him, it would be in the fitness of things if all the political parties should share the Government for five years after winning the elections.

Mr. K.H. Khurshid, President Jammu and Kashmir Liberation League underscored the need for resolving Kashmir issue. He urged the APC participants to maintain alliance after the restoration of true democracy.

Syed Fazil Hussain Mosuvi, Vice-President of Tehrik Nifaz-i-Fiqah Jaffria lashed out at the U.S. and demanded that APC should hold it responsible for supporting the unconstitutional Government in Pakistan.

Syed Afzal Haider, former President of Lahore High Court Bar Association demanded that all laws contrary to human rights should be scrapped.

Mr. I.J. Deen, President of Pakistan Christian Party spoke against the introduction of separate electorate system and said Christian community was in favour of integration with Pakistani nation through joint electorate.

Mr. Abdur Rahim Mandokhel, President Pakhtoon Khawa NAP regretted to say that introduction of political formulas by successive governments had resulted in destabilisation in the country.

When the APC began at 10-30 a.m. instead of 9 a.m., the PPP delegates were not present. Rao Rasheed and Mr. Qasim Ali Shah who represented the PPP entered the venue of the meeting at about 12 noon. Before their arrival, some of the guests expressed misgivings about PPP's participation in the APC during their conversation. They expressed the view that PPP was not in full agreement with the joint communique.

Later, as was expected by certain political circles, PPP today expressed its misgivings about the objectives of All Parties Conference.

Addressing a Press conference after the first session of the APC was over, Rao Rashid Ahmed, indicated that the APC was aimed at bringing into limelight through backdoor the leaders whom the people had rejected. Rao Rashid's Press briefing was an assertion that PPP was attending the APC as observer and not as full delegates. It established the fact beyond any shadow of doubt that there was another split in the MRD. Rao Rashid himself stressed that the creation of a liaison committee gave rise to apprehensions that some new alliance was emerging from the forum of APC. This committee in fact is a violation of mutual understandings among MRD, parties, he added.

According to him the PPP will foil attempts, intended to break the MRD. Describing the formation of new alliance as an undemocratic move, he asserted that his party would not participate in the activities of new alliance, if and when formed. That is why, he said, his party has not signed the joint communique issued by the APC.

To support his apprehensions, he referred to a meeting between Prime Minister Mohammad Khan Junejo and Maulana Fazalur Rehman and said that several number of PPP workers had expressed concern over the move and thought attempts might be made to break or weaken the MRD, because it was the only

alliance which was given due recognition within and outside the country.

Rao Rashid claimed that APC in fact was a meeting of MRD components and it had failed to create an image which was likely to be produced if all the political parties had participated. He supported the point of view of Malik Qasim who had declined to attend the APC. He expressed surprise that none of the organisers of APC, thought of bringing Malik Qasim back into the fold of APC.

APP adds:

Acting President Pakhtoonkhawa NAP, Mr. Abdul Rahim Mandokhail addressing the morning session of APC said that the country was not given a proper system which could be helpful for the economic progress and prosperity of the country.

He said the provinces were deprived of their genuine rights which created differences between different provinces.

He said that 1973 Constitution was an effort to keep this country united, but through amendments this effort was destroyed.

He claimed that all the problems being faced by this country could be solved only through restoration of complete democracy.

President of Pakistan National Christian Party, Mr. Izzet Jamedian supporting the declaration of the APC said the Christian community would extend full support in achieving the objectives of APC.

He said the Christian community wanted to continue the struggle for true democracy along with the other political parties. It, therefore, rejected the proposal for holding election on the proportionate representation basis.

He said being an independent country, all the policies of Pakistan should be free from all external pressures.

Vice-President Tehrik-i-Nifaz-i-Fiqah-i-Jafria Maulana Fazal Hussain Musavi said there was need for practical steps to protect the people against oppression.

He said that all the policies of the country should be independent.

He said that the participants of APC should also fight the inimical external forces trying to weaken the country weaker.

The All-party Conference seems to be an attempt to break the MRD alliance.

This was maintained by Sardar Shaukat Ali, Secretary-General, Awami National Party, while addressing a Press conference before the commencement of the second session of APC here today. He said that the APC was basically meant to attract more political parties for accelerating the struggle for restoration of democracy in the country. But, he regretted, that in today's first session of the APC, some leaders had severely criticized some political parties which was against the motives of APC. He said that, it was also observed that attempts to create dissension among MRD components were made. He said that owing to the situation the ANP has decided to participate in the APC as an observer.

Later, All-Party Conference formed a three-member Rabita Committee to achieve the objectives of the conference with the support of MRD and other political parties.

The committee comprising Nawabzada Nasrullah Khan, Mir Ghous Bux Bizenjo and Maulana Fazalur Rehman will discuss proposal formulated by the APC with the MRD and political parties not attending the conference to forge a united stand on the minimum charter of demand for the immediate restoration of complete democracy in the country. The need for such an effort was precipitated, because of absence of Tehrik-i-Istiqlal, Jamiat Ulema-i-Pakistan, National Democratic Party, Jamaat-i-Ahle-Sunnat, Pakistan Socialist Party and Pakistan Muslim League (Chatha Group) from the conference. The Awami National Party and Pakistan People's Party sent their observers instead of participating in the conference.

The speakers strongly criticised those political parties which failed to attend the conference particularly those which did not favoured the holding of All-Party Conference without determining any concrete course of action.

Speaking in the concluding session Maulana Fazalur Rehman the convenor of the conference said that although he believed in practical struggle but he was

[as published]

priorities to evolve consenses among all the political parties in the country on a common objective before making active struggle for the achievement of their objective. He said he was not in a position to give any course of action to other political parties. Instead they should prove themselves capable of determining their own course of action.

He strongly rebutted apprehension that the conference was a step towards forming a greater political alliance in place of MRD. He said that some of the parties who have been in the vanguard of movement for restoration of democracy during Martial Law tried to sabotage the Conference but he said he never let up his efforts to make this conference a success.

Nawabzada Nasrullah Khan strongly lashed at some political parties who attended the conference as observers and said that they tried to doubt the integrity and honesty of the convenors of the conference and its participants by raising baseless objections.

Mir Ghous Bux Bizen said that Afghanistan issue was offshoot of Gulf problem where the Americans were concentrating for taking revenge from Iran, for occupying the oil resources strengthening Israel in Middle East and stabilising India. Pakistan he said has become centre of American activities and the country was fully involved in Afghanistan on the instances of United States to which Russians can react sharply.

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CSO: 4600/304

## UNREGISTERED REFUGEES SAID TO NUMBER HALF MILLION

Karachi DAWN in English 13 Aug 87 p 6

[Text]

AUGUST 12: The number of unregistered Afghan refugees in the country is reported to have risen to over half of million, of whom about 400,000 are in the NWFP alone. In Baluchistan, their number is about 80,000 while the rest are in the Punjab and Sind. They are yet to be shifted to camps in the provinces.

The data was presented at a meeting of the National Coordination Committee on Afghan Refugees here on Tuesday, with the Punjab Chief Secretary in the chair. The meeting was attended by Commissioners for Afghan Refugees in the NWFP, Baluchistan and the Punjab. The United Nations High Commission for Refugees was also represented.

According to official sources, about 15,000 unregistered Afghan refugees are living in the Punjab. Of these some 500 families are residing in Lahore.

In all, about 100 stray Afghan refugees only have been shifted to the camps throughout the country so far. However, a large number of them have been rounded up by various district administrations and put in jails.

The co-ordination committee felt that the way the refugees were being arrested was "below their dignity and status as refugees". It has, therefore, recommended to the Federal Government to lay

down a procedure for "proper handling" of the refugees. It proposed that stray refugees be shifted to the camps of their own choice and the practice of challenging them be stopped.

The Government has lately decided that the Afghan refugees will be confined to the camps only. Hitherto, the policy was to ignore their activities, but with the public pressure mounting as a result of the recent bomb explosions, their movement will be restricted to the camps only. Refugees carrying on roadside business in the big cities have now been debarred from doing so.

Most of the unregistered refugees are from well-to-do classes who have rented houses in various cities and also started making a living outside the camps.

The Co-ordination Committee also decided that another 25,000 Afghan refugees would be shifted to two camps in the Punjab by autumn this year. At present, there are about 175,000 refugees at Kot Chandna and Darra Tung, in Isakhel tehsil of district Mianwali. A third camp will be opened in the trans-Indus area in Mianwali district after approval by the Prime Minister in consultation with the Chief Ministers of the Punjab and NWFP.

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CSO: 4600/305

## ELECTORAL ROLLS SENT TO PROVINCES

Karachi DAWN in English 17 Aug 87 p 5

[Text]

ISLAMABAD, Aug 16: Printing of new electoral rolls has been completed by the Election Commission, Radio Pakistan reported on Sunday.

According to the new electoral rolls, there are now 47.8 million voters in the country, against 34.8 million on the previous rolls.

The sources close to the Election Commission confirmed that 40 per cent of new electoral rolls have already been despatched to the provinces while the despatch of the rest will be completed by the end of this month.

In new electoral rolls a number of improvements have been made for

the convenience of the voters. The electoral rolls of the minorities have been printed on papers of different colours to distinguish these from the rolls of Muslim voters which are on white papers.

The number of new and old voters province-wise is as follows:

**PUNJAB:** Old-voters 213 lakh 92 thousand; New voters 288 lakh.

**SIND:** Old 76 lakh 51 thousand 750; New 104 lakh.

**NWFP:** Old 42 lakh 26 thousand 770; new — 59 lakh.

**BALUCHISTAN:** Old 14 lakh and 34 thousand; New 59 lakh.

**ISLAMABAD:** One lakh and 45 thousand; New one lakh and 89 thousand.

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CSO: 4600/306

## JATOI PROPOSES NEW POLITICAL ALLIANCE

Karachi DAWN in English 17 Aug 87 p 12

[Text]

AUGUST 16: Mr Ghulam Mustafa Jatoi, Chairman, National People's Party, has proposed a broad-based alliance of political parties with the sole aim of saving the country.

He proposed that a common manifesto be evolved at the all-party conference, aimed at the establishment of a welfare state in accordance with Islamic principles.

Mr. Jatoi was speaking at the all-party conference (APC) here on Sunday.

The common programme, he said, should include the restoration of the 1973 Constitution, amending the Constitution with consensus in to ensure maximum provincial autonomy within the framework of the Federation, establishment of an equitable and modern welfare society, re-shaping the foreign policy on the lines of non-alignment and having good relations with the neighbouring and Islamic countries, making the economic self-reliant by ending dependence on foreign aid, eliminating disparity between the provinces, annulment of the convictions of military courts and release of all political prisoners.

Mr. Jatoi asked the participants to pledge that the alliance, the foundation of which he thought was laid today, would remain intact till the establishment of a representative government and the removal of dictatorship.

"I would go a step further and say: 'Let's pledge to the nation that the alliance would jointly run the government for at least a period of five years,'" he added.

The NPP Chairman criticised the Government and PPP, without naming the latter. He made a

strong plea for a practical programme of action for eliminating the dictatorship and restoring democracy. The people were fed up with repeated resolutions and mere statements. "The time has come for a practical struggle," Mr. Jatoi said.

He dubbed childish and illogical the argument that the Government was a bridge between martial law and democracy and thus should not be removed.

This argument, he maintained, was contrary to the decision of the democratic forces which had rejected the August 12, 1983, formula of Gen. Zia-ul-Haq, launched a movement against him and then boycotted the 1985 elections. This argument was also an insult to the martyrs who had laid down their lives in the 1983 movement and to those who were flogged and imprisoned.

"Do these people want us to sit at home like them at a juncture when the people are being tortured? Should we accept the charge that like Nero we were fiddling while Rome was burning?," he asked.

Mr. Jatoi linked the survival of the country with the restoration of democracy. He said through democratic process, had Pakistan been achieved and on democratic basis alone could it survive. Deviation from the democratic process would mean undermining the very foundations of the country.

"I say with full responsibility that he who would negate democracy would be guilty of a crime against Pakistan. We will be held guilty by succeeding generations and tried by history," he said.

He warned the parties that in case they failed to rise above their



own interests and adopted an action plan, "dictatorship would perpetuate itself and all of us politicians, would be regarded as *zalim* (oppressors). The people will hate us and the role of political parties would come to an end for good. In that case the dawn of democracy and people's rule will never appear," he said.

The NPP Chairman mentioned the adverse effects of the policies being followed by the regime. He alleged that the big cars whose use was banned by the Prime Minister, were being purchased by the ministers and legislators at nominal prices. Similarly, he said, Nai Roshni schools and the seven-marla scheme were just a fraud aimed at plundering public money.

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CSO: 4600/306

## ANALYSIS SEES NEED FOR STRONG PARTY POLITICS

Karachi JASARAT in Urdu 31 Jul 87 p 3

[Column "siasat namah" by Abdul Karim Abid: "Muslim League Not Able to Control the Present Serious Situation"]

[Text] The political situation in Pakistan is heading for a crisis. This ever worsening state of affairs will result in another show of force. In order to control this dangerous situation, our leaders must emerge from behind this facade called the Muslim League and work with the patriotic people of our country.

Zia's dream to see the country run without any participation by political parties proved to be nothing more than a dream. He leaned on the Muslim League when his dream was shattered. What exactly is this Muslim League? It is a party which was resurrected by artificial means and is being run by fake methods. We can call it a coalition of opportunists and exploiters. Our countrymen do not even know the names of Muslim League leaders! They became leaders overnight and exist only in radio, television, newspaper, and billboard announcements. However, there is no political party and as long as Pakistan is being managed by a bogus party the situation here will continue to deteriorate. We all know that Pakistan is going through the worst period in its history and this critical situation calls for leadership by an authentic political party with deep roots among the people. Lacking such a party, a government should be formed by a coalition of some influential and respected parties. It is unfortunate that an artificial party has been established to get the country out of a catastrophic situation. We cannot win wars with wooden swords. Can these gold and silver pawns collected to from Muslim League survive political upheavals? Can these leaders who emerged just to accept ministerships and benefits that come with these positions and spend their time making fiery speeches bring about any change? The results of this Muslim League government is in front of us. It has given the country nothing but disappointment and depression. Let us take a look at our country.

In Sind, Jiye Sind group has been allowed to form a government under the guise of Muslim League. The provincial government was formed with the cooperation of

President Zia, Pir Pagara, G.M. Syed, Hamida Khouro, and Jiye Sind supporters. This government allowed the Muhajir Qaumi Movement (MQM) to encourage friction among Muhajirs, Punjabis, and Pakhtoons. This provincial government also became a partner in smuggling heroin and arms. Kidnapping and then releasing people on payment of ransom has reached a crisis level. In Karachi, the people and the police are standing opposite each other ready for a showdown. Looking at this fire and fury makes us believe that there never was a more inept and ineffective provincial government in the history of Pakistan. It is essential that the present Sind government be suspended and a new government be formed with people elected by Sindhis. An election with full participation of political parties should be held immediately in order to end the political and administrative crisis in Sind. The Pakistan People's Party (PPP) will not be able to win the majority vote were the election held today. Therefore, we should not worry about it. Even if the PPP wins majority vote things could not get any worse. President Ziaul Haq and Miss Benazir Bhutto are ready to reconcile. Benazir is worried about Jatoi beating her in the elections and is leaning toward the central government for support. Sind could be a beginning point for cooperation between the government and opposition parties. Should Benazir for some reason decide not to cooperate with the government, Jatoi would be more than willing to take her place in this process. Whether there is a reconciliation or not, the main solution to Sind's problems is eradication of bogus leaders and parties and reinstatement of authentic leaders. Only a good leader can save Sind now. The present provincial government in Sind will only cause more problems for the country.

Let us look at Baluchistan now. There seems to be peace and quiet there. However this peace and quiet is of artificial nature. People are quiet not because they are happy and satisfied, but because of their disappointments. They have lost interest in Pakistan. Their apathy will benefit the enemies of our country. Seeds of dangerous riots and sedition are nurturing under this facade of peace. Seeds of discord between Pakhtoons and Baluchs have been sowed. Pro- and anti-Iranian groups are also working underground. Afghanistan, of course, is our declared enemy and it has been active against us even since Pakistan was established. Now, however, there are Afghan agents in every nook and cranny of Baluchistan trying to influence various tribes. Baluch political leaders are talking about breaking up Pakistan. They are staying in London or Kabul and waiting for the right opportunity. The government has established a small loyal group by giving out ministerships and open bribes in the form of developmental funds. We cannot count on their loyalty. Even our central government does not consider them faithful. It knows that they are not honest. Mr Jamali, who is a supporter of President Zia, has been waiting for an opportunity to replace Junejo. He is now tired of waiting and has started to stir things up. The Muslim League has no role in this drama; it just does not have any influence. The ulema (religious leaders) who are very influential in Pathan regions do not support the government. The Baluchs are faithful to their sardars (leaders) and the government should enlist their support. The government lacks the power that comes with a strong ideology and political program. The bureaucracy is managing the whole province in its own way and for its own benefits. There is just no political base there.

Sarhad, the province famous for bomb blasts, is progressing in blasting more bombs! The government is not able to control the new wave of riots started in

Parchinar where several tribal and other minority groups have their headquarters. The Muslim League in this province has totally failed. They are planning to make former governor Fazal Haq to head the Muslim League in order to put new life into the party.

The government is so weak that it has been forced into a compromising position by rebels and insurgents. The government lets them have their way and just busies itself in pushing paperwork. There are some elements in the government that even encourage the mischief-makers. The provincial government is aware of the ineffectiveness of the Muslim League, therefore, encourages bigotry to muster up more support for itself. All provincial ministers, including the chief minister, issue statements supporting more provincial autonomy. They want to appear to be championing the province and not the central government. Afghan money and arms are being distributed openly in tribal areas. The government lacks the political clout that is essential to control such a situation. There is no person or a group that is capable of leading the province using the Muslim League platform. Even though this province is going through a very difficult time and is a favorite target of enemy activities, it is still our "vanguard" province fighting our enemies. In this very province the Muslim League has a wooden sword or golden arrows for exhibition instead of using a sword sharp enough to split stones. All these cannot harm the enemy. One example of the provincial government's weakness is that it has failed in reconciling Afghan Muhajirs and the local population. Instead, it allowed the enemy to get these groups against each other. Thanks to this incompetent government established by the equally incompetent Muslim League even the Pakhtoons living in Sarhad do not agree about the Afghanistan crisis and the enemy was able to misguide the people about various issues.

The Muslim League and the government has failed to generate any ideological movement in Punjab. The government believed that popular support can be bought by distributing land to the right people. First, you do not have enough land to give to everyone. Second, you cannot expect everyone who obtains land to change his religion and beliefs. Most of those who received land parcels believe that these were gifts to reduce the popularity of the PPP. This method will not succeed. The country does not need land parcels; it needs an ideology and an ideal goal. The problem is that even our government lacks these ingredients. How can we expect it to provide leadership to the people? Even in the streets and lanes of Punjab's cities and villages you hear horrid stories about our corrupt government. They call the Muslim League an incorporated company of thugs and robbers. It is true that there is no indication of any anti-government movement in Punjab. The Ravi appears to be flowing quietly. This quiet, however, is not an indicator of satisfaction, but reflects people's apathy. They are disappointed and frustrated. Their feelings are all dried out. This is fine for the government for the time being, but this political apathy and haplessness will result in destruction. Even the Karachi riots are better than this calmness. At least, those riots indicate that there is some life left in us. The government should not be happy with the quiet in Punjab; it should worry about its future. It is important for our future and party politics be activated and encouraged. This can be achieved by removing hurdles such as registrations and other restriction imposed on parties. There should be negotiations between the government and political parties for

holding new elections. The sooner the Pakistani politics get out of this maze created by this non-party system or the bogus Muslim League party system the better it would be for the future of this country. It goes without saying that

we cannot control the most crucial period in this history of Pakistan with the help of a party without roots.

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## MANPOWER EXPORTS: TEAMS TO SURVEY MARKETS

Karachi DAWN in English 11 Aug 87 Business Supplement p I

[Text]

ISLAMABAD, Aug 10: Minister of State for Labour, Manpower and Overseas Pakistanis, Mian Abdus Sattar Laleka has said that the Government is going to establish a vigilance cell in the Ministry of Labour, Manpower and Overseas Pakistanis so as to check the alleged overcharging by the promoters.

Talking to newsmen here on Monday, he said that the Government is lifting the ban on issuing fresh licences for manpower export and the period for the renewal of the licences is also going to be extended from one year to two years, during which the performance of the promoter will be considered as the only merit for the renewal.

He pointed out that for the promotion of overseas employment, his Ministry has decided to send delegations to Middle East, Europe and other regions for market survey so as to assess the possibility of exporting manpower. He said that the trends of the international market have changed now and we will have to make agreements with multinational companies.

To a question, he said that Pakistani labour is considered comparatively more dependable, efficient and hard working as compared to other countries in the international market.

When asked about the problem of unemployment being faced by repatriated workers, he said that

problem of unemployment can only be solved with the promotion of industrialisation in the country. In this connection, he added the Punjab government is also providing small loans to expatriates to help them establish cottage and other small industries. He also referred to the advisory cell established in Overseas Pakistanis Foundation.

He emphatically said, "In my personal capacity I am trying to solve the problems being faced by the repatriating workers."

In reply to a question about Kaghan Bricks being run by OPF, the Minister of State said it was incurring a loss of Rs 6 million annually and the Government was seriously considering to disinvest it.

Replying to a question he said the number of expatriates had increased by 38 per cent as compared to manpower export.

To yet another question, he said that the OPF has been asked to concentrate on construction of housing schemes for the Overseas Pakistanis specially in the overseas intensive areas like Mirpur, Jhelum etc, on no loss no profit basis.

Replying to a question about 'Hundi', he said the Government was considering to simplify the banking procedure so that the overseas Pakistanis may not go anywhere else.

He said that he had already discussed the issue with the Finance Ministry.—PPI

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CSO: 4600/305

## SEVENTH PLAN DEVELOPMENT OPTIONS ANALYZED

Karachi DAWN in English 16 Aug 87 Business Supplement p I, III

[Article by M. Ziauddin]

[Text] **THE PLANNING COMMISSION** is reportedly giving final touches to the Seventh Plan's macro framework which would be made public within a fortnight for the purpose of initiating a national debate on its basic principles, thrust and approach.

The framework is being prepared on the lines contained in the approach paper already discussed at the last National Economic Council meeting chaired by the Prime Minister.

It is not clear how the authors of the Plan have overcome the constraints of the continued non solution of the issue of Indus water distribution, non-finalisation of fiscal matters by the National Finance Commission and non-decision on Kalabagh dam.

### Unresolved issues

In the approach paper it was pointed out that it would be very difficult to make a Plan without first resolving the issues of water and tax distribution and a final decision, one way or the other, on the question of building the Kalabagh dam costing about Rs. 85 billion.

Since these three issues still remain to be resolved, it would be interesting to see how the authors of the Plan framework have skirted them.

In the opinion of independent experts a macro framework prepared without taking into consideration these issues would have only cosmetic value and would be aimed only at eking out some political mileage for the government of the day through a lot of rhetoric.

They further said that the approach paper itself, on the basis of which the macro framework is being prepared, lacked the comprehension needed to correct the acute structural defects with which the country's economy is afflicted.

The emphasis of the planners, they said, appeared to be once again on achieving a high growth rate of around 6 per cent during the next Plan period.

In their opinion it was the overwhelming emphasis on high growth rate which actually caused the Sixth Plan to flounder. By continuing this approach in the Seventh Plan they added, the planners were sealing the fate of the next plan.

They said during the past 10 years high growth rates had been realised with very low rate of investment. This has manifested in the decline of incremental capital output ratio from 3.45 per cent during 1971-77 period to 2.41 per cent during the Sixth Plan period.

The low incremental capital output ratio they attributed to sub-optimal resource allocation for maintenance, rehabilitation and expansion of infrastructure.

They said it was also partly attributable to the fact that social sectors were completely neglected



in the past 10 years and also to the fact that assets created prior to 1977 were consumed without any thought for replacement.

In the opinion of these experts, this is the only way Pakistan can achieve a 6 per cent growth rate during the Seventh Plan period.

According to one estimate, in order to achieve a real growth of say about 5 per cent in the next five years, Pakistan will have to invest about 30 per cent of the GDP.

At present the rate of investment is something like 14 per cent and the rate of savings about 7 per cent.

Pakistan's savings as a fraction of GNP are one of the lowest among the developing countries. Both public and private savings have been very low. Public revenues are insufficient even to finance the current expenditures which over time have risen rapidly due to geopolitical situation and rising debt servicing obligations.

Overall deficit in the budget at present amounts to Rs. 45 billion which is around 7 per cent of the GDP.

These experts said that while the poor performance of private savings could be attributed to consumption prompted by liberal baggage rules, smuggling and, above all, social tolerance for conspicuous use of illegitimately acquired resources, public sector savings tended to be squeezed between ever-rising public expenditure and massive tax evasion.

The Seventh Plan approach paper fails to address itself to these particular issues with any economic sense. The prescription it has proposed is full of holes, experts said.

Under this prescription, the government wants to levy an across-the-board consumption tax, streamline tax collection machinery, reduce budgetary subsidies, increase users' charges, reduce returns on saving schemes so as to leave more of domestic savings with the private sector and finally, screen out of ADP organisations like WAPDA, OGDC, T & T, Railways and National Highways Board.

### Wishful thinking

All these proposals, experts thought, were impractical and based more on wishful thinking than on hard economic realities.

Discussing the last proposal first, they said, the bureaucracy would not let WAPDA, OGDC, T & T, Railways and National Highways Board to be taken out of ADP and added that screening out WAPDA and T & T out of ADP would mean a serious shortfall in the income of the government.

On the other hand, they said, OGDC and Railways were inefficient and if kept out of ADP they would have little chance of survival.

The proposal to reduce the rate of return on savings would mean a sudden drop in the income (borrowing) of the government which it could not afford in the present situation. On the other hand, the proposed measure would give a further fillip to the fly-by-night investment companies which were already offering 50 per cent return and funnelling the hard-earned money of small savers into the illegal economy.

The other three proposals relating to consumption tax, users' charges and streamlining of the tax collection machinery have proved to be non-starters already, they said. These proposals were contained in the Sixth Plan also. But the socio-economic conditions obtaining in the country did not allow the planners to convert these proposals into concrete measures.

### Illegal economy

Private consumption is no doubt very high. But most of this consumption, in their opinion, relates to items available in the illegal economy.

According to experts all that the legal economy produces is food, cloth and building material and that too at a very high cost. A consumption tax on these would mean a direct attack on the pockets of the lowest strata of the population.

The richer classes who waste more food than they consume would simply cut down on the waste to save. They wear imported cloth and they already are purchasing building material from the black market, they pointed out.

The proposal to levy users' charges probably on services and utilities like electricity, gas, transport, etc, also does not seem to be practicable in the opinion of these experts.

The richer classes are already buying these through palm greasing at very high rates. They would



simply raise the rates of bribe and the government would be deprived of even its normal incomes from these services and utilities.

On the other hand, the poor people would be hit very hard and this would create a socio-economic crisis of a serious magnitude, they added.

The proposal to streamline the tax collection machinery, they said, would continue to remain a proposal as long as influential and big tax evaders were not apprehended and given exemplary punishment in full public view alongwith the corrupt tax officers.

They said that over the past 10 years of the government, through its deliberate policies, created a vast illegal economy which gets fuelled by smuggling and massive tax evasion. This was done, they said, mainly because the Martial Law administration in its early days realised that the only way it could keep the people from coming out against it on the streets was to provide them with whatever they needed.

Since whatever they needed was not being produced by the national economy and since the government did not have the money to finance the import of everything, it allowed smuggling with a vengeance. Smuggling was given respectability with the introduction of a liberal baggage rule policy.

Thus demonstrative consumption increased without any increase in local production or any impact on official foreign exchange reserves, they added.

### Easy way

This was an easy way out, they said. Otherwise, at least for the first three years of the Martial Law people would have had to be content with only the barest minimum and they would have had come out on the streets in protest against high prices and shortages, they added.

This easy way out, they said, also set free a lot of borrowed resources

with which the government indulged in its own demonstrative consumption and wastages. Thus while the debt obligations of the country shot up by leaps and bounds, private consumption increased mainly of smuggled goods and items produced by the illegal economy, they added.

The Seventh Plan, they said, needed to address itself to this issue: the issue of demonstrative consumption and wastages in the public sector and consumption of smuggled goods in the private sector.

In the opinion of these experts only by controlling consumption the government could increase the rate of savings and investment. A reasonable increase in these rates would ensure decrease in the dependence on borrowings (foreign as well as domestic). This would also leave enough to spend on social sectors and on the maintenance, rehabilitation and expansion of infrastructure, they added.

### Social sectors

Notwithstanding the fact that the importance of social sectors such as education and health was recognised in each Plan document, the allocative pattern of various Plans failed to reflect this commitment, they said.

Serious consequences of the low investment in social sectors was manifested in the lowest literacy level, higher levels of infant and child mortality and high population growth, they observed.

An illiterate, unskilled, unhealthy and less educated workforce can hardly be expected to generate higher levels of productivity, they added.

In the opinion of these experts, the aim of the next Plan should not be high growth but improvement in the rates of savings, investments, literacy and health cover.

In order to achieve this aim, they said, the government should chalk out a comprehensive plan to reduce the level of black economy and expand simultaneously the legal economy.

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